WEST VIRGINIA CODE: §33-8-5

§33-8-5. Prohibited investments.

An insurer may not, directly or indirectly:

(a) Invest in an obligation or security or make a guarantee for the benefit of or in favor of an officer or director of the insurer, except as provided in section six of this article;

(b) Invest in an obligation or security, make a guarantee for the benefit of or in favor of, or make other investments in a business entity of which ten percent or more of the voting securities or equity interests are owned directly or indirectly by or for the benefit of one or more officers or directors of the insurer, except as authorized in article twenty-seven of this chapter or provided in section six of this article;

(c) Engage on its own behalf or through one or more affiliates in a transaction or series of transactions designed to evade the prohibitions of this article;

(d) Invest in a partnership as a general partner, except that an insurer may make an investment as a general partner:

(1) If all other partners in the partnership are subsidiaries of the insurer;

(2) For the purpose of meeting cash calls committed to prior to the effective date of this article, completing those specific projects or activities of the partnership in which the insurer was a general partner as of the effective date of this article that had been undertaken as of that date, or making capital improvements to property owned by the partnership on the effective date of this article if the insurer was a general partner as of that date; or

(3) In accordance with subsection (c), section three of this article, this paragraph does not prohibit a subsidiary or other affiliate of the insurer from becoming a general partner; or

(e) Invest in or lend its funds upon the security of shares of its own stock, except that an insurer may acquire shares of its own stock for the following purposes, but the shares may not be admitted assets of the insurer:

(1) Conversion of a stock insurer into a mutual or reciprocal insurer or a mutual or reciprocal insurer into a stock insurer;

(2) Issuance to the insurer's officers, employees or agents in connection with a plan approved by the commissioner for converting a publicly held insurer into a privately held insurer or in connection with other stock option and employee benefit plans; or

(3) In accordance with any other plan approved by the commissioner.

WV Legislature