

RCW 48.13.051 Written investment policy required—Annual review—

Contents. In acquiring, investing, exchanging, holding, selling, and managing investments, an insurer shall establish and follow a written investment policy that shall be reviewed and approved by the insurer's board of directors at least annually. The content and format of an insurer's investment policy are at the insurer's discretion, but shall include written guidelines appropriate to the insurer's business as to the following:

- (1) The delegation and monitoring of policies, procedures, and controls covering all aspects of the investing function;
- (2) Quantified goals and objectives regarding the composition of classes of investments, including maximum internal limits;
- (3) Periodic evaluation of the investment portfolio as to its risk and reward characteristics. This subsection shall not preclude an insurer from the use of modern portfolio theory to manage its investments;
- (4) Professional standards for the individuals making day-to-day investment decisions to assure that investments are managed in an ethical and capable manner;
- (5) The types of investments to be made and those to be avoided, based on their risk and reward characteristics and the insurer's level of experience with the investments;
- (6) The relationship of classes of investments to the insurer's insurance products and liabilities;
- (7) The manner in which the insurer intends to implement RCW 48.13.041; and
- (8) The level of risk, based on quantitative measures, appropriate for the insurer given the level of capitalization and expertise available to the insurer. [2011 c 188 § 6.]