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## INSURANCE CODE - INS

**DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8]** ( Division 1 enacted by Stats. 1935, Ch. 145. )

**PART 2. THE BUSINESS OF INSURANCE [680 - 1879.8]** ( Part 2 enacted by Stats. 1935, Ch. 145. )

**CHAPTER 2. Incorporated Insurers [1140 - 1260]** ( Chapter 2 enacted by Stats. 1935, Ch. 145. )

**ARTICLE 4.5. Leeway Law [1210- 1210.]** ( Article 4.5 added by Stats. 1968, Ch. 898. )

**1210.** (a) A domestic incorporated insurer, after investing an amount equal to its required minimum paid-in capital in securities specified in Article 3 (commencing with Section 1170), may make investments as it may see fit in the purchase of, or loans upon, properties and securities other than or in addition to or in excess of those set forth in Article 2 (commencing with Section 1152), Article 3 (commencing with Section 1170), and Article 4 (commencing with Section 1190). Investments under this section shall not exceed, in the aggregate, the lesser of either of the following:

(1) Five percent of the insurer's admitted assets.

(2) Fifty percent of the excess of admitted assets over the sum of capital paid up, liabilities, and the surplus required by Section 700.02. The percentage or dollar value of admitted assets and capital paid up and liabilities shall be determined by the insurer's last preceding annual statement of conditions and affairs made as of the preceding December 31 and that has been filed with the commissioner as required by law. The investments shall be subject to the provisions of Sections 1153.5, 1154, 1200, 1201, and 1202 as if they were excess funds investments. This section applies to an insurer other than a life insurer only if the insurer has aggregate capital and surplus of at least ten million dollars (\$10,000,000).

(b) An investment originally made by an insurer pursuant to this section that subsequently meets the requirements of an investment contained in Article 2 (commencing with Section 1152), Article 3 (commencing with Section 1170), or Article 4 (commencing with Section 1190) may, at the election of the insurer, be considered to be held pursuant to any provision contained in those articles.

(c) Pursuant to the authority conferred by subdivision (a), notwithstanding Section 1100, an insurer may make discretionary investments in shares of an open-end diversified management investment company, as defined in the federal Investment Company Act of 1940, as amended. This subdivision does not prohibit any other discretionary investment, now or in the future, that might otherwise be made by an insurer, whether expressly identified in this section or not.

(d) (1) The limitation in subdivision (a) shall be increased for an insurer if both of the following apply:

(A) The commissioner has approved the amount and other terms of the investment for the insurer before the insurer makes the investment.

(B) The California Organized Investment Network (COIN) has identified the investment in an investment opportunity bulletin, or otherwise deemed the investment to be a qualified investment, pursuant to Article 10.1 (commencing with Section 926) of Chapter 1.

(2) On or before December 31, 2025, the commissioner shall submit a report to the committees of the Senate and Assembly having jurisdiction over insurance on investments made pursuant to paragraph (1), with a focus on impact investments, high-impact investments, and community development investments, as defined in Article 10.1 (commencing with Section 926) of Chapter 1.

(e) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

(Amended by Stats. 2021, Ch. 627, Sec. 3. (AB 1511) Effective January 1, 2022. Repealed as of January 1, 2027, by its own provisions. See later operative version as added by Sec. 4 of Stats. 2021, Ch. 627.)

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(d) This section shall become operative on January 1, 2027.

*(Repealed (in Sec. 3) and added by Stats. 2021, Ch. 627, Sec. 4. (AB 1511) Effective January 1, 2022. Operative January 1, 2027, by its own provisions.)*