

304.7-409 Equity interests in business entities.

- (1) Subject to the limitations of KRS 304.7-403, an insurer may acquire equity interests in business entities organized under the laws of any domestic jurisdiction.
- (2) An insurer shall not acquire an investment under this section if, as a result of and after giving effect to the investment, the aggregate amount of investment then held by the insurer under this section would exceed twenty percent (20%) of its admitted assets, or the amount of equity interests then held by the insurer that are not listed on a qualified exchange would exceed five percent (5%) of its admitted assets. An accident and health insurer shall not be subject to this section but shall be subject to the same aggregate limitation on equity interests as a property and casualty insurer under KRS 304.7-461 and also to the provisions of KRS 304.7-453.
- (3) An insurer shall not acquire under this section any investment that the insurer may acquire under KRS 304.7-413.
- (4) An insurer shall not short sell equity investments unless the insurer covers the short sale by owning the equity investment or an unrestricted right to the equity instrument exercisable within six (6) months of the short sale.

Effective: July 14, 2000

History: Created 2000 Ky. Acts ch. 388, sec. 11, effective July 14, 2000.