§ 1601. Authority to invest in subsidiaries; businesses of subsidiaries. (a) (1) A domestic insurer authorized to make investments by subsection (c) of section one thousand four hundred three of this chapter may, subject to section one thousand two hundred eighteen of this chapter invest in, or otherwise acquire, subsidiaries engaged or organized to engage in any business lawful under the laws of the jurisdiction in which such subsidiaries are organized.

(2) Notwithstanding the provisions of paragraph one of this subsection, no assessment corporation, as defined in subsection (b) of section six thousand six hundred two of this chapter, shall invest in or otherwise acquire, directly or indirectly, an insurance company if such investment or acquisition results in the control of such insurance company by the assessment corporation.

(b) Except as prohibited by paragraph two of subsection (a) of this section, subsidiaries engaged or organized to engage exclusively in owning or investing in insurers, directly or indirectly, are subject to the limitations set forth in sections one thousand two hundred eighteen and one thousand four hundred eight of this chapter.