

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 25 of Article 48A of the Code of Public General Laws of Maryland, Edition of 1924, title "Insurance", sub-title "General Provisions", be, and the same is hereby repealed and re-enacted, with amendments, so as to read as follows:

25. INVESTMENT OF RESERVES. Every insurance company, domestic or foreign, authorized to do business in this state, must have and continually keep an amount equal to its entire reinsurance reserve and all other debts and claims against it, exclusive of capital stock, invested in the bonds, coin or treasury notes of the United States, or interest, or dividend-paying bonds or stocks of this or any other state of the United States, or of any county, incorporated city or other corporation of this or any other state having legal authority to issue the same, and not in default, or in real estate for the office or business purposes only of said company or bonds of the Home Owners Loan Corporation, a corporation created under an Act of Congress of the United States, approved June 13, 1933; provided, however, that they shall have the right to purchase and hold real estate under a foreclosure of their own mortgages for a period of not more than five years, and for five years longer, if, in the judgment of the insurance commissioner, it is advisable so to do; or it may be invested in ground rents, or loaned upon first mortgages on unincumbered fee simple, or improved leasehold, real estate, in this or any other state of the United States, to an amount not, exceeding sixty per cent of the fair market value of such fee simple, or improved leasehold, real estate. Whenever such loans are made upon fee simple, or improved leasehold, real estate which is improved by a building or buildings, the said improvements shall be insured against loss by fire, and the fire insurance policies shall be duly assigned to the mortgagee as additional security for the said loan; or it may be loaned on pledges of any security named in this section, or on the policies of the company in force, provided, that each loan is less than the net reserve of the policy on which the loan is made, according to the standard of valuation prescribed in this article; and provided, that the current market value of such pledged securities, other than the bonds and stocks of this State, or of the United States, shall be at all times during the continuance of such loans, at least ten per cent more than the sum loaned on them. All such loans shall be subject to the