

## CHAPTER 168.

(House Bill 123)

AN ACT to repeal and re-enact with amendments Section 25 of Article 48A of the Annotated Code of Maryland (1935 Supplement), title "Insurance", sub-title "General Provisions", as said section was amended by Chapter 167 of the Acts of 1937, authorizing the investment of reserves of insurance companies in ground rents or 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-six and two-thirds per cent of the fair market value thereof.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 25 of Article 48A of the Annotated Code of Maryland (1935 Supplement), title "Insurance", sub-title "General Provisions", as said section was amended by Chapter 167 of the Acts of 1937, be and the same is hereby repealed and re-enacted, with amendments, to read as follows: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, or in debentures issued by the Federal Housing Administrator; or in securities of national mortgage associations; 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-six and two-thirds 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