

other classes of securities or types of investment, shall invest its funds only in such securities to the extent of an amount equal in value to the minimum assets or surplus required of such company by the laws of Maryland. Investments equal in value to such an amount and of the kind or kinds hereinafter prescribed in this section shall at all times be maintained free and clear from any lien or pledge other than as impressed upon a deposit with any government within the United States or upon trustee assets held in trust for the security of all its policyholders and creditors. Minimum capital investments of such an insurer shall consist of the following classes of securities and not less than sixty per cent of the total amount of the required minimum capital investments shall consist of the classes specified in subparagraphs (a) and (b) following:

(a) Bonds or other evidences of indebtedness of the United States of America or of any of its agencies when such obligations are guaranteed as to principal and interest by the United States of America.

(b) Bonds, or stocks or other evidences of indebtedness which are direct obligations of the State of Maryland or of any county, district or municipality thereof.

(c) Bonds or other evidences of indebtedness which are direct obligations of any state of the United States.

(d) Mortgage loans or deeds of trust as specified in subparagraphs (a) or (c) of sub-division (6) of sub-section 3 on property located in this state.

(e) Ground rents as specified in sub-division (7) of sub-section 3.

## 2. RESERVE INVESTMENTS REQUIRED.

(1) After satisfying requirements for minimum capital investments specified in sub-section 1, any domestic stock or mutual insurance company or Lloyds Association, other than a life insurance company or a fraternal benefit association, may invest its funds in, or otherwise acquire, or loan upon, only the classes of reserve investments as specified in sub-section 3, unless it shall at all times have and maintain cash and such reserve investments (including its minimum capital investments), free from any lien or pledge, which, when valued in accordance with the provisions of this Act, shall be at least equal in amount to fifty per centum of the aggregate amount of its unearned premium and loss reserves as shown by its last sworn statement, annual or quarterly, on file with the Commissioner. The term "lien or pledge" as used in this sub-