

SECTION 1. *Be it enacted by the General Assembly of Maryland, That a new sub-section be and it is hereby added to Section 28 of Article 48A of the Annotated Code of Maryland (1957 Edition), title "Insurance", sub-title "General Provisions", said new sub-section to be known as Sub-section (4), to follow immediately after Sub-section 3) of said section, and to read as follows:*

28.

*(4) (Investments of foreign and alien insurers.)*

*(a) The Commissioner may refuse a new or renewal license to any foreign insurer if he finds that its investments do not comply in substance with the investment requirements and limitations imposed by this section upon like domestic insurers organized to do the same kind or kinds of insurance business.*

*(b) The Commissioner may refuse a new or renewal license to any alien insurer if he find that its investments do not comply in substance with the investment requirements and limitations imposed by this section upon like domestic insurers organized to do the same kind or kinds of insurance business, except that bonds, notes, or other evidence of indebtedness issued or guaranteed by the government of the country in which such alien insurer was organized or by any province or other major political subdivision thereof, and not in default as to principal or interest, may be recognized in an amount not exceeding the minimum capital required of a domestic stock insurer hereafter organized to do the same kind or kinds of insurance business.*

(4) THE COMMISSIONER MAY REFUSE A NEW OR RENEWAL LICENSE TO ANY FOREIGN OR ALIEN INSURER IF HE FINDS THAT ITS INVESTMENTS DO NOT COMPLY IN SUBSTANCE WITH THE INVESTMENT REQUIREMENTS AND LIMITATIONS IMPOSED BY THIS SECTION UPON LIKE DOMESTIC INSURERS ORGANIZED TO DO THE SAME KIND OR KINDS OF INSURANCE BUSINESS; PROVIDED THAT COMPLIANCE WITH THE SUBSTANCE OF SUCH REQUIREMENTS AND LIMITATIONS SHALL NOT BE CONSTRUED SO AS TO CONSTITUTE GROUNDS FOR REFUSING A NEW OR RENEWAL LICENSE, IF SUCH INVESTMENTS ARE AS PERMITTED BY THE LAW OF THE INSURER'S DOMICILE AND THE INSURER'S INVESTMENT PORTFOLIO IS SUCH AS NOT TO BE HAZARDOUS TO THE PERFORMANCE OF SUCH INSURER'S OBLIGATIONS TO MARYLAND POLICYHOLDERS.

SEC. 2. *And be it further enacted, That this Act shall take effect June 1, 1961; IT SHALL REMAIN EFFECTIVE FOR A PERIOD OF ONE YEAR, AND AT THE END OF MAY 31, 1962, AND WITH NO FURTHER ACTION REQUIRED BY THE GENERAL ASSEMBLY, THIS ACT SHALL BE ABROGATED AND OF NO FURTHER FORCE AND EFFECT.*

Approved May 3, 1961.