

103. Reserve Investments Required.

(1) After satisfying requirements for minimum capital investments specified in section 102, an insurer may invest its funds in, or otherwise acquire, or loan upon, only the classes of reserve investments as specified in section 104; and it shall at all times have and maintain cash and such reserve investments (including its minimum capital investments), free from any lien or pledge, in an amount equal to at least fifty per cent of the aggregate amount of its unearned premium and loss reserves. The term "lien or pledge" as used in this section shall not include any deposit of securities or cash or trusteed assets, held by any state for the benefit or protection of all or any class of the policyholders, or policyholders and creditors, of such insurer.

(2) No security or investment (other than real property acquired under section 104 (8) of this subtitle) shall be eligible for acquisition as a reserve investment unless it is interest bearing or interest accruing or dividend or income paying, is not then in default in any respect, and the insurer is entitled to receive for its account and benefit the interest or income accruing thereon.

104. Classes of Reserve Investments.

The reserve investments of an insurer shall consist of the following classes of assets subject to the limit, if any, set forth with regard to each type or class of asset:

(1) Government Obligations.

Bonds or other evidences of indebtedness, not in default as to principal or interest, which are valid and legally authorized obligations issued, assumed or guaranteed by the United States of America, or by any state thereof or by any territory or possession of the United States or by the District of Columbia or by any county, city, town, village, municipality or district therein or by any political subdivision thereof or by any civil division or public instrumentality of one or more of the foregoing, if, by statutory or other legal requirements applicable thereto, such obligations are payable, as to both principal and interest, from taxes levied or by such law required to be levied upon all taxable property or all taxable income within the jurisdiction of such governmental unit or from adequate special revenues pledged or otherwise appropriated or by such law required to be provided for the purpose of such payment, but not including any obligations payable solely out of special assessments on properties benefited by local improvements. ; AND OBLIGATIONS ISSUED OR GUARANTEED BY THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT.

(2) Corporate Obligations.

Obligations, other than those eligible for investment under subsection (6), issued, assumed or guaranteed by any solvent institution created or existing under the laws of the United States or of any state, district or territory thereof, which are not in default as to principal or interest, and which are qualified under any of the following paragraphs:

(i) Obligations which are secured by adequate collateral security and bear fixed interest and if during each of any three, including