

country or possession of the United States or which has outstanding insurance or reinsurance contracts on risks located in a foreign country or possession of the United States, may invest in, or otherwise acquire or loan upon securities and investments in such foreign country or possession which are substantially of the same kinds, classes and investment grades as those eligible for investment under this subtitle; but the aggregate amount of such investments in a foreign country or a possession of the United States and of cash in the currency of such country or possession which is at any time held by such insurer shall not, except as provided in the next preceding paragraph (i), exceed one and one-half times the amount of its reserves and other obligations under such contracts or the amount which such insurer is required by law to invest in such country or possession, whichever shall be greater.

(10) **Stock and Debentures of Housing Authorities.**

Stock and debentures, or either, of any housing authority organized under the public housing law of this State, to the extent and upon such conditions as may be authorized by the Commissioner, provided all of the stock of such housing authority has been or is to be originally issued to one or more insurers.

105. Residue and Surplus Fund Investments.

After satisfying the requirements for minimum capital and reserve investments, as required in sections 102 and 103, an insurer may invest any portion of the remainder of its funds in, or otherwise acquire or loan upon, any of the classes of investments eligible under section 104 and, in addition, in such other investments as are not prohibited by the provisions of this subtitle.

106. Prohibited Investments.

In addition to investments excluded pursuant to other provisions of this article, an insurer shall not directly or indirectly invest in or lend its funds upon the security of the following:

(1) Obligations, stock or other securities of any corporation, association or other business unit which is insolvent at the time of such acquisition or loan, except securities eligible for investment under section 104.

(2) Any mortgage or deed of trust, or any real property or any interest therein, which does not come within the class of investments specified in section 104 (6) and (7).

(3) Any capital stock of the investing insurer.

(4) Stocks, bonds or other securities issued by any corporation, if a majority of the outstanding stock of such corporation, or a majority of the stock having voting powers of such corporation is, or will be after such acquisition, directly or indirectly owned by such insurer or by or through one or more of its officers or directors holding the same, for the benefit of such insurer or of its stockholders, or owned by a parent corporation or subsidiary of such insurer, parent corporation or subsidiary thereof or owned by any combination of the insurer, its parent corporation, its subsidiaries or its stockholders. Nothing contained in this paragraph shall be deemed to prevent any investment in the stock, bonds or other securities of