

SECTION 1. *Be it enacted by the General Assembly of Maryland, That new Section 362 be and it is hereby added to Article 48A of the Annotated Code of Maryland (1968 Replacement Volume and 1969 Supplement), title "Insurance Code," to follow immediately after Section 361A thereof, to be under the new subtitle "Variable Contracts," and to read as follows:*

21. *Variable Contracts*

362. *Variable Contracts*

(a) *Any stock or mutual life insurer authorized to issue life insurance and/or annuities in this State may also issue individual and group variable life insurance and annuity contracts which provide for payment varying directly with the investment experience of a segregated asset account, upon being specifically authorized by the Commissioner to issue such variable contracts, such authorization being based on the insurer's compliance with rules and regulations promulgated by the Commissioner. Such rules and regulations may include requirements for a minimum capital and surplus in excess of the amount otherwise required for the issuance of life insurance and/or annuities which are not variable contracts, and such other requirements which the Commissioner deems appropriate to safeguard the interests of variable contract holders, other policyholders, insurers, and the public.*

(b) *The investments in any such segregated asset account shall be subject to the provisions of this article except that preferred and common stock investments of amounts allocated to any such account shall not be included in applying the 10% limitations provided in the first proviso of Section 96, subsection (6) of this article. Such investments shall also comply with rules and regulations promulgated by the Commissioner in regard to such segregated asset accounts.*

(c) *No variable life insurance policies and annuity contracts shall be delivered, or issued for delivery, in this State until the form thereof has been filed with and approved by the Commissioner. The Commissioner shall, by regulation, determine the grace, reinstatement and non-forfeiture provisions and other pertinent required policy provisions which shall be appropriate to such variable contracts.*

SEC. 2. *And be it further enacted, That this Act shall take effect July 1, 1970.*

Approved April 28, 1970

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CHAPTER 428

(House Bill 565)

AN ACT to repeal and re-enact, with amendments, Section 376 of Article 48A of the Annotated Code of Maryland (1968 Replacement Volume and 1969 Supplement), title "Insurance Code," subtitle "The Insurance Contract; ~~General~~ GENERALLY," to pro-