

Occurred: Ch. 553, Acts of 1963.

104.

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:

(2) Obligations, other than those eligible for investment under subsection (6) of this section, 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 either of the last two, of the five fiscal years next preceding the date of acquisition by such insurer, the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges, as hereinafter defined, shall have been not less than one and one-quarter times the total of its fixed charges for such year, or obligations which, at the date of acquisition by such insurer, are adequately secured and have investment qualities and characteristics wherein the speculative elements are not predominant. In determining the adequacy of collateral security, not more than one third of the total value of such required collateral shall consist of stock other than stock meeting the requirements of [subdivision] SUBSECTION (3) of this section.

(9) (ii) Any [insurer] INSURER, which is authorized to do business in a foreign 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 paragraph (i) of this subsection, 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.

DRAFTER'S NOTE: