

3. securities deposited in a jurisdiction outside of the State as a condition of authority to transact business in that jurisdiction or securities deposited in connection with obtaining surety bonds; and

4. securities held for safekeeping by a bank or other institution that:

A. is approved by the Commissioner;

B. is located in the United States or Canada, or in any jurisdiction in which the insurer is licensed to do business; and

C. has a custodial agreement with the insurer approved by the Commissioner.

(2) A [risk retention group, as defined in § 22-xxx of this article [Art. 48A § 617(k)],] REINSURER FINANCIAL GUARANTY REINSURANCE COMPANY OR FINANCIAL GUARANTY INSURANCE COMPANY that became domiciled in the State on or before December 31, 1993, and that does not have its home or executive office in the State:

(i) shall keep in the State its entire assets as required by paragraph (1)(ii) of this subsection; and

(ii) may keep its general ledger accounting records outside the State if it makes those records available in the State to the Commissioner within 2 business days after being requested to do so by the Commissioner.

[(c)](D) Unless approved by the Commissioner, a domestic insurer may not keep more than 15% of the domestic insurer's admitted assets outside of the State under this section.

[(d)](E) This section does not prohibit the holding of funds or transmission of securities outside of the State to:

(1) secure or record title to the securities; or

(2) sell, lend, buy, redeem, or exchange the securities or alter the provisions of the securities.

~~[(e)](F) The Commissioner may modify or waive the requirements of this section to the extent that the Commissioner considers justified and not adverse to public interest.~~

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect July 1, 1995.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 1997.

Approved May 18, 1995.