

understands that a mortgage loan may only be made on the principal residence of a director or officer, not on a vacation home or other home. The Committee notes this substitution for consideration by the General Assembly.

Defined terms: "Authorized insurer" § 1-101

"Insurance contract" § 1-101

"Insurer" § 1-101

"Life insurer" § 1-101

"Policy" § 1-101

3-118. AGREEMENTS TO PAY EXPENSES OF MANAGEMENT.

A DOMESTIC STOCK INSURER OR DOMESTIC MUTUAL INSURER MAY NOT ENTER INTO AN AGREEMENT IN WHICH A PERSON AGREES TO PAY ALL OR PART OF THE EXPENSES OF MANAGEMENT OF THE DOMESTIC STOCK INSURER OR DOMESTIC MUTUAL INSURER IN CONSIDERATION OF AN AGREEMENT TO PAY TO THE PERSON COMMISSIONS ON PREMIUMS DUE THE DOMESTIC STOCK INSURER OR DOMESTIC MUTUAL INSURER OR ANY OTHER COMPENSATION FOR THE PERSON'S SERVICES.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 268A(a).

The former terms "partnership" and "corporation" are deleted as included in the defined term "person". As to the definition of "person", see § 1-101 of this article.

The references to a "domestic stock insurer" and a "domestic mutual insurer" are substituted for the former references to "this insurer" and "the insurer" for consistency.

Former Art. 48A, § 268A(b), which allowed agreements in effect on June 1, 1965 to be extended to June 1, 1970, is deleted as obsolete.

Defined terms: "Domestic insurer" § 1-101

"Mutual insurer" § 1-101

"Person" § 1-101

"Premium" § 1-101

"Stock insurer" § 1-101

3-119. RESTRICTIONS ON PURCHASE AND SALE OF EQUITY SECURITIES OF DOMESTIC STOCK INSURERS.

(A) "EQUITY SECURITY" DEFINED.

IN THIS SECTION, "EQUITY SECURITY" MEANS:

- (1) STOCK OR A SIMILAR SECURITY;
- (2) A SECURITY CONVERTIBLE, WITH OR WITHOUT CONSIDERATION, INTO STOCK OR A SIMILAR SECURITY;
- (3) A SECURITY CARRYING A WARRANT OR RIGHT TO SUBSCRIBE TO OR PURCHASE STOCK OR A SIMILAR SECURITY;