(B) MORTGAGE LOANS.

NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, A BONA FIDE MORTGAGE LOAN TO AN OFFICER OR EMPLOYEE OF THE INSURER MAY BE ALLOWED AS AN ADMITTED ASSET IF THE LOAN:

(1) IS APPROVED AND RATIFIED BY THE BOARD OF DIRECTORS OF THE INSURER;

(2) IS SECURED BY A FIRST MORTGAGE ON A PRINCIPAL RESIDENCE OF AN OFFICER OR EMPLOYEE; AND

(3) DOES NOT EXCEED THE AMOUNT ALLOWED FOR ANY OTHER MORTGAGE INVESTMENT UNDER § 5–511(G) OF THIS TITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 76.

In subsection (a)(2) and (3) of this section, the phrase "of the insurer" is added to modify "officer", "employee", and "agent" for clarity.

In subsection (a)(5) of this section, the former reference to "electronic and mechanical machines" is deleted as obsolete.

Also in subsection (a)(5) of this section, the former reference to "literature" is deleted as meaningless.

In subsection (a)(6) of this section, the phrase "of those investments" is added to modify the term "aggregate value" for clarity.

In subsection (b)(1) of this section, the phrase "of the insurer" is added to modify the term "board of directors" for clarity.

The Insurance Article Review Committee notes, for consideration by the General Assembly, that in subsection (a)(3) of this section, references are made to advances given on personal security to "an employee or agent of the insurer or to another person", but in the introductory language to subsection (b) of this section, references are made to mortgage loans to "an officer or employee of the insurer". The General Assembly may wish to conform the references.

The Insurance Article Review Committee also notes, for consideration by the General Assembly, that in subsection (b)(2) of this section, the reference to "principal residence" is substituted for the former reference to "a residence used for ... personal habitation" to clarify that a mortgage loan allowed as an admitted asset may not be a first mortgage on a vacation home or other home besides the principal residence of an officer or employee.

Defined terms: "Insurer" § 1–101
"Person" § 1–101
"Policy" § 1–101