

SUBTITLE 5. INVESTMENTS OF LIFE INSURERS.

5-501. SCOPE OF SUBTITLE.

EXCEPT FOR § 5-502 OF THIS SUBTITLE, THIS SUBTITLE APPLIES ONLY TO DOMESTIC LIFE INSURERS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 86.

The former clause, "which relates to investments of foreign and alien insurers", is deleted as unnecessary in light of § 5-502 of this subtitle.

Defined terms: "Domestic insurer" § 1-101

"Life insurer" § 1-101

5-502. INVESTMENTS OF FOREIGN OR ALIEN LIFE INSURERS.

(A) DOMICILE OF ALIEN INSURER.

FOR PURPOSES OF THIS SECTION, THE DOMICILE IN THE UNITED STATES OF AN ALIEN INSURER, OTHER THAN AN INSURER FORMED UNDER THE LAWS OF CANADA, IS DEEMED TO BE THE STATE WHERE THE ALIEN INSURER MAINTAINS ITS LARGEST DEPOSIT OF TRUSTEED ASSETS.

(B) INVESTMENT PORTFOLIO.

THE INVESTMENT PORTFOLIO OF A FOREIGN LIFE INSURER OR ALIEN LIFE INSURER SHALL BE:

- (1) AS ALLOWED BY THE LAWS OF ITS DOMICILE; AND
- (2) OF A QUALITY SUBSTANTIALLY AS HIGH AS THAT REQUIRED UNDER THIS SUBTITLE FOR SIMILAR FUNDS OF LIKE DOMESTIC LIFE INSURERS.

(C) DENIAL OF OR REFUSAL TO RENEW CERTIFICATE OF AUTHORITY.

THE COMMISSIONER MAY DENY OR REFUSE TO RENEW A CERTIFICATE OF AUTHORITY TO A FOREIGN LIFE INSURER OR ALIEN LIFE INSURER IF:

- (1) THE FOREIGN LIFE INSURER OR ALIEN LIFE INSURER HAS INVESTMENTS IN ONE PERSON IN EXCESS OF THE LIMIT PROVIDED IN § 5-507 OF THIS SUBTITLE; OR
- (2) THE COMMISSIONER FINDS THAT ITS INVESTMENTS DO NOT COMPLY IN SUBSTANCE WITH THE INVESTMENT REQUIREMENTS AND LIMITATIONS OF THIS SUBTITLE FOR DOMESTIC LIFE INSURERS TRANSACTING THE SAME KIND OF INSURANCE BUSINESS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 87.

In subsection (a) of this section, the reference to the domicile "in the United States" of an alien insurer is added for clarity.