

Former Art. 48A, § 88(1) provided for the eligibility of investments held by an insurer on December 31, 1963. Although former § 88(1) was transitory in effect and the intended purposes already have been served, the provisions of that former subsection are not repealed. Rather, to avoid any possible argument that there is no authority to continue the eligibility of an investment that was held by an insurer on December 31, 1963, as an eligible investment under former § 88(1), those provisions are transferred to the Session Laws. See Ch. XX, Acts of 1995. Consequently, the second clause of former § 88(2), which stated an exception for former § 88(1), is deleted as unnecessary.

Defined terms: "Insurer" § 1-101.

"Life insurer" § 1-101

"Reinsurance" § 1-101

5-504. GENERAL QUALIFICATIONS OF INVESTMENTS.

(A) PURCHASE AT PRICE ABOVE MARKET VALUE.

A LIFE INSURER MAY NOT PURCHASE AN INVESTMENT OR SECURITY AT A PRICE ABOVE ITS MARKET VALUE.

(B) CONTROL OF ANOTHER INSURER.

SUBSECTION (A) OF THIS SECTION DOES NOT PROHIBIT A LIFE INSURER FROM ACQUIRING CONTROL OF ANOTHER INSURER.

(C) ACQUISITION AS DIVIDEND OR DISTRIBUTION OR UNDER AGREEMENT.

THIS SUBTITLE DOES NOT PROHIBIT A LIFE INSURER FROM ACQUIRING OTHER OR ADDITIONAL SECURITIES OR PROPERTY THAT IS RECEIVED:

(1) AS A DIVIDEND;

(2) AS A LAWFUL DISTRIBUTION OF ASSETS; OR

(3) UNDER A LAWFUL AND BONA FIDE AGREEMENT OF BULK REINSURANCE, MERGER, OR CONSOLIDATION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 89.

Subsection (a) of this section is revised in the active voice to clarify that this subtitle applies to life insurers. Similarly, subsections (b) and (c) of this section refer to "life" insurers for clarity.

Defined terms: "Insurer" § 1-101

"Life insurer" § 1-101

"Reinsurance" § 1-101

5-505. AUTHORIZATION OF INVESTMENTS AND LOANS.

(A) SCOPE OF SECTION.