

THIS SECTION DOES NOT APPLY TO POLICY LOANS OR ANNUITY CONTRACT LOANS.

(B) REQUIRED.

A LIFE INSURER MAY NOT MAKE AN INVESTMENT OR LOAN UNLESS THE INVESTMENT OR LOAN IS AUTHORIZED BY:

(1) THE BOARD OF DIRECTORS OF THE LIFE INSURER; OR

(2) A COMMITTEE AUTHORIZED BY THE BOARD OF DIRECTORS OF THE LIFE INSURER TO SUPERVISE OR MAKE INVESTMENTS AND LOANS.

(C) DUTIES OF COMMITTEE.

THE COMMITTEE DESCRIBED IN SUBSECTION (B)(2) OF THIS SECTION SHALL:

(1) RECORD ITS MINUTES; AND

(2) SUBMIT REGULAR REPORTS OF THE COMMITTEE TO THE BOARD OF DIRECTORS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 90.

In the introductory language of subsection (b) of this section, the former word "approved" is deleted as included in the word "authorized". Similarly, in subsection (b)(2) of this section, the former word "charged" is deleted as included in the word "authorized".

Subsection (c) of this section is revised in the active voice to clarify that the committee authorized to supervise or make investments is responsible for recording minutes and submitting reports.

Defined terms: "Annuity contract" § 1-101

"Life insurer" § 1-101

"Policy" § 1-101

5-506. PROHIBITED INVESTMENTS AND LOANS.

(A) IN GENERAL.

IN ADDITION TO INVESTMENTS OTHERWISE EXCLUDED UNDER THIS ARTICLE, A LIFE INSURER MAY NOT DIRECTLY OR INDIRECTLY INVEST IN OR LEND ITS FUNDS ON THE SECURITY OF:

(1) AN INVESTMENT OR SECURITY THAT THE COMMISSIONER FINDS IS DESIGNED TO EVADE A PROHIBITION OF THIS ARTICLE; OR

(2) ISSUED SHARES OF THE LIFE INSURER'S CAPITAL STOCK, EXCEPT:

(I) FOR THE PURPOSE OF MUTUALIZATION UNDER TITLE 3, SUBTITLE 1 OF THIS ARTICLE; OR