

(II) IN CONNECTION WITH A PLAN APPROVED BY THE COMMISSIONER FOR PURCHASE OF THE SHARES BY EMPLOYEES OR AGENTS OF THE LIFE INSURER.

(B) LOANS TO OFFICER OR DIRECTOR.

A LIFE INSURER MAY NOT DIRECTLY OR INDIRECTLY MAKE A LOAN TO AN OFFICER OR DIRECTOR OF THE LIFE INSURER, EXCEPT:

(1) A POLICY LOAN; OR

(2) A BONA FIDE MORTGAGE LOAN ON THE PRINCIPAL RESIDENCE OF THE OFFICER OR DIRECTOR THAT HAS BEEN APPROVED OR RATIFIED BY THE BOARD OF DIRECTORS OF THE LIFE INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 91.

Throughout this section, references to a "life" insurer are substituted for the former references to an "insurer" to clarify that this subtitle applies to life insurers.

In subsection (b)(2) of this section, the reference to "principal residence" is substituted for the former reference to "the residence for his habitation" for clarity. See also § 5-102(b) of this title.

Defined terms: "Commissioner" § 1-101

"Life insurer" § 1-101

"Policy" § 1-101

5-507. INVESTMENT IN ONE PERSON.

(A) SCOPE OF SECTION.

THIS SECTION DOES NOT APPLY TO:

(1) POLICY LOANS MADE UNDER THIS SUBTITLE; OR

(2) GENERAL OBLIGATIONS OF THE UNITED STATES, CANADA, OR A STATE.

(B) LIMITATION.

UNLESS THE COMMISSIONER APPROVES, A LIFE INSURER MAY NOT HAVE, AT ONE TIME ANY COMBINATION OF INVESTMENTS IN OR LOANS ON THE SECURITY OF THE OBLIGATIONS, PROPERTY, OR SECURITIES OF ONE PERSON IN AN AGGREGATE AMOUNT EXCEEDING 10% OF THE ADMITTED ASSETS OF THE LIFE INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 92.

In subsection (b) of this section, references to a "life" insurer are substituted for the former references to an "insurer" to clarify that this subtitle applies to life insurers.