

Defined terms: "Commissioner" § 1-101

"Life insurer" § 1-101

"Person" § 1-101

"Policy" § 1-101

"State" § 1-101

5-508. POLICY LOANS.

(A) AUTHORIZED.

A LIFE INSURER MAY LEND TO ITS POLICYHOLDER ON THE POLICY AS COLLATERAL SECURITY AN AMOUNT NOT EXCEEDING THE RESERVE ON THE POLICY.

(B) ELIGIBLE RESERVE INVESTMENT.

A POLICY LOAN IS AN ELIGIBLE RESERVE INVESTMENT OF A LIFE INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 93.

Defined terms: "Life insurer" § 1-101

"Policy" § 1-101

5-509. FOREIGN INVESTMENTS.

(A) SCOPE OF SECTION.

THIS SECTION DOES NOT APPLY TO CANADIAN SECURITIES AND INVESTMENTS THAT ARE ELIGIBLE FOR INVESTMENT UNDER OTHER PROVISIONS OF THIS SUBTITLE.

(B) AUTHORIZED.

SUBJECT TO SUBSECTION (C) OF THIS SECTION, A LIFE INSURER THAT IS AUTHORIZED TO DO BUSINESS IN A FOREIGN COUNTRY OR THAT HAS OUTSTANDING INSURANCE CONTRACTS OR REINSURANCE CONTRACTS ON RISKS LOCATED IN A FOREIGN COUNTRY MAY INVEST IN ASSETS, OR OTHERWISE ACQUIRE A LOAN ON SECURITIES AND INVESTMENTS, IN THE FOREIGN COUNTRY THAT ARE SUBSTANTIALLY OF THE SAME KIND, CLASS, AND QUALITY AS THOSE ASSETS ELIGIBLE FOR INVESTMENT UNDER THIS SUBTITLE.

(C) LIMITATION.

THE AGGREGATE AMOUNT OF THE INVESTMENTS MADE UNDER SUBSECTION (B) OF THIS SECTION AND OF THE CURRENCY OF THE FOREIGN COUNTRY HELD BY THE LIFE INSURER MAY NOT EXCEED 150% OF THE GREATER OF:

(1) THE AMOUNT OF THE RESERVES OF THE LIFE INSURER AND OTHER OBLIGATIONS UNDER ANY OUTSTANDING INSURANCE CONTRACTS OR REINSURANCE CONTRACTS; AND

(2) THE AMOUNT THAT THE LIFE INSURER IS REQUIRED BY LAW TO INVEST IN THAT COUNTRY.