

(II) INVESTMENTS IN STOCK OF OTHER INSURERS.

(B) ACQUISITION OF REAL PROPERTY.

AN INSURER MAY NOT ACQUIRE THE KIND OF REAL PROPERTY SPECIFIED IN § 5-608 (N)(1)(I) AND (II) OF THIS SUBTITLE IF THE VALUE OF THE REAL PROPERTY, PLUS THE VALUE OF ALL OF THE REAL PROPERTY THEN HELD BY THE INSURER, EXCEEDS 10% OF THE INSURER'S TOTAL ADMITTED ASSETS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 101.

Defined terms: "Insurer" § 1-101

"Person" § 1-101

5-607. INVESTMENT REQUIREMENTS.

(A) MINIMUM REQUIREMENTS.

BEFORE INVESTING IN OTHER CLASSES OF SECURITIES OR TYPES OF INVESTMENTS, EACH INSURER SHALL INVEST ITS FUNDS IN SECURITIES OF THE CLASSES DESCRIBED IN SUBSECTION (B) OF THIS SECTION IN AN AMOUNT EQUAL IN VALUE TO THE MINIMUM CAPITAL STOCK AND SURPLUS REQUIRED OF A DOMESTIC STOCK INSURER AUTHORIZED TO TRANSACT THE SAME KIND OF INSURANCE BUSINESS.

(B) AUTHORIZED INVESTMENTS.

(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE INVESTMENTS REQUIRED BY SUBSECTION (A) OF THIS SECTION MAY BE MADE ONLY IN THE FOLLOWING CLASSES OF SECURITIES:

(I) BONDS OR OTHER EVIDENCES OF INDEBTEDNESS OF THE UNITED STATES OR AN AGENCY OF THE UNITED STATES IF THE OBLIGATION IS GUARANTEED AS TO PRINCIPAL AND INTEREST BY THE UNITED STATES;

(II) BONDS OR OTHER EVIDENCES OF INDEBTEDNESS THAT ARE DIRECT OBLIGATIONS OF THE STATE OR OF A COUNTY, DISTRICT, OR MUNICIPAL CORPORATION OF THE STATE;

(III) BONDS OR OTHER EVIDENCES OF INDEBTEDNESS THAT ARE DIRECT OBLIGATIONS OF ANOTHER STATE;

(IV) MORTGAGE LOANS OR DEEDS OF TRUST, AS SPECIFIED IN § 5-608(J) AND (K) OF THIS SUBTITLE, ON PROPERTY LOCATED IN THE STATE; OR

(V) GROUND RENTS AS SPECIFIED IN § 5-608(M) OF THIS SUBTITLE.

(2) AT LEAST 60% OF THE TOTAL AMOUNT OF THE REQUIRED MINIMUM INVESTMENTS MUST CONSIST OF THE CLASSES OF SECURITIES SPECIFIED IN PARAGRAPH (1)(I) AND (II) OF THIS SUBSECTION.

(C) LIENS.