

AN INSURER SHALL MAINTAIN THE MINIMUM INVESTMENTS REQUIRED BY SUBSECTION (A) OF THIS SECTION FREE AND CLEAR FROM ANY LIEN OR PLEDGE, OTHER THAN AS IMPRESSED ON:

(1) A DEPOSIT WITH ANY GOVERNMENT IN THE UNITED STATES; OR

(2) TRUSTEED ASSETS HELD IN TRUST FOR THE SECURITY OF THE INSURER'S POLICYHOLDERS AND CREDITORS.

(D) ADDITIONAL INVESTMENT REQUIREMENTS.

(1) AFTER SATISFYING THE MINIMUM INVESTMENT REQUIREMENTS OF SUBSECTION (A) OF THIS SUBSECTION, AN INSURER SHALL INVEST, OR OTHERWISE ACQUIRE OR LOAN ON, ADDITIONAL FUNDS TO BRING ITS INVESTMENTS UP TO AN AMOUNT NOT LESS THAN 50% OF THE AGGREGATE AMOUNT OF ITS UNEARNED PREMIUM AND LOSS RESERVES, IN CASH OR THE CLASSES OF RESERVE INVESTMENTS AUTHORIZED UNDER § 5-608 OF THIS SUBTITLE.

(2) AN INSURER SHALL MAINTAIN THE INVESTMENTS REQUIRED BY THIS SUBSECTION FREE FROM ANY LIEN OR PLEDGE, OTHER THAN A DEPOSIT OF SECURITIES, CASH, OR TRUSTEED ASSETS HELD BY A STATE FOR THE BENEFIT OR PROTECTION OF ALL OR ANY CLASS OF THE POLICYHOLDERS AND CREDITORS OF THE INSURER.

(3) EXCEPT FOR REAL PROPERTY ACQUIRED UNDER § 5-608(N) OF THIS SUBTITLE, A SECURITY OR INVESTMENT IS NOT ELIGIBLE FOR ACQUISITION AS A RESERVE INVESTMENT UNLESS:

(I) THE SECURITY OR INVESTMENT IS INTEREST-BEARING, INTEREST-ACCRUING, OR DIVIDEND OR INCOME-PAYING;

(II) THE SECURITY OR INVESTMENT IS NOT THEN IN DEFAULT IN ANY RESPECT; AND

(III) THE INSURER IS ENTITLED TO THE INTEREST OR INCOME ACCRUING ON THE SECURITY OR INVESTMENT.

(E) OTHER INVESTMENTS.

AFTER SATISFYING THE MINIMUM INVESTMENT REQUIREMENTS OF THIS SUBTITLE, AN INSURER MAY INVEST ANY PART OF THE REMAINDER OF THE INSURER'S FUNDS IN, OR OTHERWISE ACQUIRE OR LOAN, ANY OF THE CLASSES OF INVESTMENTS ELIGIBLE UNDER § 5-608 OF THIS SUBTITLE OR IN OTHER INVESTMENTS THAT ARE NOT PROHIBITED BY THIS SUBTITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 102, 103, and 105.

In subsection (a) of this section, the former word "only", which modified securities of certain classes, is deleted as surplusage.