

(1) A PERSON, OR A SUBSIDIARY OF THE PERSON, THAT IS AUTHORIZED BY A STATE OR FOREIGN COUNTRY TO ENGAGE IN THE INSURANCE BUSINESS; OR

(2) A PERSON, OTHER THAN A PERSON OR A SUBSIDIARY OF THE PERSON THAT IS AUTHORIZED TO ENGAGE IN THE INSURANCE BUSINESS, TO FUND:

(I) BENEFITS DIRECTLY OR INDIRECTLY UNDER AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN THE FEDERAL EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, THAT IS MAINTAINED IN THE UNITED STATES, OR UNDER A SIMILAR PLAN MAINTAINED IN A FOREIGN COUNTRY;

(II) THE ACTIVITIES OF AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE; OR OF A SIMILAR ORGANIZATION IN A FOREIGN COUNTRY;

(III) A PROGRAM, OR PLAN AS DEFINED IN § 457 OF THE INTERNAL REVENUE CODE, OF THE FEDERAL GOVERNMENT, A STATE OR POLITICAL SUBDIVISION OF A STATE, OR A FOREIGN COUNTRY OR POLITICAL SUBDIVISION OF A FOREIGN COUNTRY; OR

(IV) AN AGREEMENT THAT PROVIDES FOR PERIODIC PAYMENTS IN SATISFACTION OF A CLAIM.

(C) AMOUNT GUARANTEED OR CREDITED.

(1) AN AMOUNT MAY NOT BE GUARANTEED OR CREDITED UNDER A FUNDING AGREEMENT EXCEPT ON A REASONABLE ASSUMPTION AS TO INVESTMENT INCOME AND EXPENSES AND ON A BASIS EQUITABLE TO ALL HOLDERS OF FUNDING AGREEMENTS OF A GIVEN CLASS.

(2) A FUNDING AGREEMENT MAY NOT PROVIDE FOR PAYMENT TO OR BY THE INSURER BASED ON A MORTALITY OR MORBIDITY CONTINGENCY.

(D) ALLOCATION OF AMOUNTS PAID; INVESTMENT.

(1) UNDER A FUNDING AGREEMENT, AN INSURER MAY ALLOCATE AMOUNTS PAID TO THE INSURER AND PROCEEDS APPLIED UNDER OPTIONAL MODES OF SETTLEMENT TO THE INSURER'S GENERAL ACCOUNT OR TO ONE OR MORE SEPARATE ACCOUNTS.

(2) AMOUNTS ALLOCATED TO THE INSURER'S GENERAL ACCOUNT AND ANY RESULTING ACCUMULATIONS SHALL BE INVESTED AND REINVESTED IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE GOVERNING INVESTMENT OF THE RESERVES OF LIFE INSURERS.

(3) AMOUNTS ALLOCATED TO A SEPARATE ACCOUNT AND ANY RESULTING ACCUMULATIONS MAY BE INVESTED AND REINVESTED SUBJECT ONLY TO §§ 5-506, 5-507, AND 5-512(D), (G), (H), (I), (J), AND (K) OF THIS ARTICLE AND REGULATIONS ADOPTED UNDER SUBSECTION (E) OF THIS SECTION.

(E) REGULATIONS.

(1) THE COMMISSIONER MAY ADOPT REGULATIONS GOVERNING: