

House Bill 798

AN ACT concerning

Life Insurers - Investments

FOR the purpose of authorizing a separate investment account and a segregated asset account established by a life insurer to invest in any investments contractually permitted for the account and specified in the plan of ~~operations~~ operation issued to a qualified plan; providing that certain provisions of State insurance laws do not apply to the investments contained in the separate investment account or the segregated asset account under certain circumstances; providing that the assets of a separate investment account may not be chargeable with certain liabilities under certain circumstances; repealing certain provisions of law that impose limitations on investments made by life insurers and on investments of the assets of a segregated asset account; altering a certain definition; and generally relating to investments by life insurers.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 5-512 and 16-602

Annotated Code of Maryland

(1997 Volume and 1998 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Insurance

5-512.

[(a) In this section, "qualified plan" means a pension, retirement, or profit-sharing plan or agreement that meets the requirements for qualification under § 401 or § 403 of the United States Internal Revenue Code or any corresponding provisions of prior or subsequent federal revenue laws.]

(A) IN THIS SECTION, "QUALIFIED PLAN" MEANS A PENSION, RETIREMENT, OR PROFIT-SHARING PLAN OR AGREEMENT THAT:

(1) MEETS THE REQUIREMENTS FOR QUALIFICATION UNDER § 401, § 403, OR § 414 OF THE UNITED STATES INTERNAL REVENUE CODE OR ANY CORRESPONDING PROVISIONS OF PRIOR OR SUBSEQUENT FEDERAL REVENUE LAWS; AND

(2) IS AN ACCREDITED INVESTOR AS DEFINED IN REGULATION D OF THE SECURITIES ACT OF 1933 OR ANY CORRESPONDING PROVISIONS OF PRIOR OR SUBSEQUENT FEDERAL LAWS.

(b) (1) This section applies only to the establishment or operation of separate investment accounts by life insurers for the funding of qualified plans.