

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2000.

Approved May 18, 2000.

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**CHAPTER 660**

**(House Bill 978)**

AN ACT concerning

**Life Insurers - Classes of Reserve Investments**

FOR the purpose of altering the classes of reserve investments authorized for life insurers; imposing certain limitations on certain classes of reserve investments authorized for life insurers; specifying that the reserve investments of a life insurer may include certain foreign investments; authorizing the Insurance Commissioner to take certain action to rectify or prevent a hazardous financial condition; requiring the board of directors of certain life insurers to adopt or approve certain plans relating to certain types of investments; defining certain terms; and generally relating to investments of life insurers.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 5-509 and 5-511

Annotated Code of Maryland

(1997 Volume and 1999 Supplement)

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

**Article - Insurance**

5-509.

(A) ~~THE APPLICABLE DEFINITIONS OF~~ IN § 5-511 OF THIS SUBTITLE APPLY ~~TO~~ IN THIS SECTION.

[(a)](B) This section does not apply to Canadian securities and investments that are eligible for investment under other provisions of this subtitle.

[(b)](C) Subject to the limitations of § 5-511 of this subtitle, a life insurer may acquire foreign investments, or engage in investment practices with persons of or in foreign jurisdictions, of substantially the same types as those that a life insurer is allowed to acquire under this subtitle, other than those of the type prohibited under § 5-506 of this subtitle if, as a result of and after giving effect to the investment:

(1) the aggregate amount of foreign investments then held by the life insurer under this subsection does not exceed 20% of its admitted assets; and