

business entities, derivative transactions, money market mutual funds, certain asset backed securities and interest bearing bonds, and certain foreign investments.

House Bill 978, which was passed by the General Assembly and signed by me today, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 763.

Sincerely,  
Parris N. Glendening  
Governor

### Senate Bill No. 763

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: