computed in a certain manner; requiring the statutory reserve or unearned premium reserve that a title insurer is required to maintain to be computed in a certain manner; altering the manner of releasing the aggregate sum of any excess reserves that result from a certain recalculation; altering the circumstances under which an insurer that owns stock of another insurer must have its stock valued at book value; altering certain provisions of law relating to the valuation of real estate investments of insurers; altering the amount that a life insurer may lend to a policyholder on the policy as collateral security; updating certain terminology; and generally relating to assets, reserves, and investments of insurers.

BY repealing and reenacting, with amendments,
    Article – Insurance
    Section 5–101, 5–102(a), 5–205(c), 5–206(a), 5–401(b) and (d), and 5–508
    Annotated Code of Maryland
    (1997 Volume and 2000 Supplement)

BY repealing
    Article – Insurance
    Section 5–204
    Annotated Code of Maryland
    (1997 Volume and 2000 Supplement)

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

Article – Insurance

5–101.

(a)   In determining the financial condition of an insurer, the following assets that the insurer owns shall be allowed as admitted assets:

(1)   cash that the insurer holds or that it controls while the cash is in transit, and the true balance of any deposit in a solvent bank or trust company;

(2)   shares or deposits in a savings and loan association or building and loan association, to the extent that the investment or account is insured by an instrumentality of the United States or of Canada;

(3)   in an amount not exceeding the [legal reserve and other policy liabilities carried on] CASH SURRENDER VALUE OF each individual policy:

(i)   premium notes[,] AND policy loans, [and other policy assets] EXCEPT FOR COLLATERAL ASSIGNMENT LOANS; AND

(ii)   [liens on policies and certificates of life insurance and annuity contracts; and

(iii)] accrued interest THAT IS 90 DAYS OR MORE PAST DUE on each asset listed in subitem (i) [or (ii)] of this item;