

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;

(4) IN AN AMOUNT NOT EXCEEDING THE POLICY RESERVE ON EACH INDIVIDUAL POLICY:

(I) COLLATERAL ASSIGNMENT LOANS; AND

(II) ACCRUED INTEREST THAT IS 90 DAYS OR MORE PAST DUE ON THE ASSET LISTED IN SUBITEM (I) OF THIS ITEM;