

CHAPTER 193

(House Bill 1037)

AN ACT concerning

Life Insurers – Board of Directors – Investments Practices

FOR the purpose of repealing a certain provision of law related to investment and loan practices of certain life insurers; requiring the board of directors of a life insurer to adopt a certain plan for acquiring and holding investments and engaging in investment practices; requiring the plan to specify certain guidelines related to certain investment and financial needs of a life insurer; requiring the board to take certain action before adopting the plan; requiring the board to supervise and direct certain investments; requiring the board to determine certain information about certain investments and to make a certain resolution; requiring the board to determine whether certain investment activity is consistent with the plan by reviewing certain documentation and revising the plan as needed; requiring the board in the discharge of its duties to require that certain information be made available to the board; requiring each director of the board or a committee authorized by the board to act in a certain manner; providing that, for purposes of this Act, the governing body of a life insurer that does not have a board of directors shall be deemed to be a board of directors; repealing a certain provision of law related to reserve requirements; providing that a life insurer may not acquire certain investments if the investments would exceed certain admitted assets of a life insurer under certain circumstances; requiring that any replicated asset be subject to certain provisions and limitations; defining certain terms; and generally relating to investment practices by life insurers and the boards of directors of life insurers.

BY renumbering

Article – Insurance

Section 5–511(a)(17), (18), (19), and (20), respectively
to be Section 5–511(a)(20), (21), (22), and (23), respectively

Annotated Code of Maryland

(1997 Volume and 2002 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 5–505 and 5–511(a)(15) and (16), (d)(1)(vi), and (o)(1)

Annotated Code of Maryland

(1997 Volume and 2002 Supplement)

BY repealing and reenacting, without amendments,

Article – Insurance

Section 5–511(a)(1)

Annotated Code of Maryland