

(1997 Volume and 2002 Supplement)

BY adding to

Article – Insurance

Section 5-511(a)(15), (16), and (19), (d)(3), and (o)(6)

Annotated Code of Maryland

(1997 Volume and 2002 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 5-511(a)(17), (18), (19), and (20), respectively, of Article – Insurance of the Annotated Code of Maryland be renumbered to be Section(s) 5-511(a)(20), (21), (22), and (23), respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Insurance

5-505.

(a) [This section does not apply to policy loans or annuity contract loans.

(b) A life insurer may not make an investment or loan unless the investment or loan is authorized by:

(1) the board of directors of the life insurer; or

(2) a committee authorized by the board of directors of the life insurer to supervise or make investments and loans.

(c) The committee described in subsection (b)(2) of this section shall:

(1) record its minutes; and

(2) submit regular reports of the committee to the board of directors.]

(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “BOARD” MEANS THE BOARD OF DIRECTORS OF A LIFE INSURER.

(3) “COMMITTEE” MEANS A COMMITTEE AUTHORIZED BY THE BOARD OF DIRECTORS OF A LIFE INSURER.

(B) (1) THE BOARD SHALL ADOPT A WRITTEN PLAN FOR:

(I) ACQUIRING AND HOLDING INVESTMENTS; AND

(II) ENGAGING IN INVESTMENT PRACTICES.

(2) THE PLAN REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL SPECIFY GUIDELINES FOR THE: