

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

Article - Insurance

4-115.

(c) (1) A domestic insurer, including a reciprocal insurer, fraternal benefit society, or nonprofit health service plan, with its home or executive office in the State shall keep in the State:

- (i) its general ledger accounting records; and
- (ii) [subject to subsection (d) of this section,] all of its assets except:

1. real property lawfully owned by the insurer and located outside of the State, personal property appurtenant to the real property, or mortgages on the real property;

2. property of the insurer that is customary and necessary to the operation of the insurer's branch offices outside of the State;

3. securities deposited in a jurisdiction outside of the State as a condition of authority to transact business in that jurisdiction or securities deposited in connection with obtaining surety bonds; [and

4. securities held for safekeeping by a bank or other institution that:

A. is approved by the Commissioner;

B. is located in the United States or Canada, or in any jurisdiction in which the insurer is licensed to do business; and

C. has a custodial agreement with the insurer approved by the Commissioner]

4. SECURITIES HELD EITHER BY THE INSURER OR IN COMPLIANCE WITH REGULATIONS ADOPTED BY THE COMMISSIONER; AND

5. TRANSACTIONS OR SECURITIES INVOLVED IN TRANSACTIONS AUTHORIZED BY § 5-511(N) AND (O) OF THIS ARTICLE OR ANY OTHER TRANSACTIONS OR SECURITIES INVOLVED IN TRANSACTIONS EXEMPTED BY THE COMMISSIONER FROM THIS PARAGRAPH.

(2) A financial guaranty reinsurance company or financial guaranty insurance company that became domiciled in the State on or before December 31, 1993, and that does not have its home or executive office in the State:

(i) shall keep in the State its entire assets as required by paragraph (1)(ii) of this subsection; and