HOUSE BILL 697

C45lr2374 By: Delegate Davis Introduced and read first time: February 12, 2015 Assigned to: Health and Government Operations Committee Report: Favorable House action: Adopted Read second time: March 18, 2015 CHAPTER AN ACT concerning Life Insurers - Reserve Investments - Loans Secured by Real Estate FOR the purpose of altering the maximum term of certain loans on certain real estate that may be included in the reserve investments of life insurers; making certain conforming changes; and generally relating to the reserve investments of life insurers. BY repealing and reenacting, with amendments, Article – Insurance Section 5–511(g) Annotated Code of Maryland (2011 Replacement Volume and 2014 Supplement) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: Article - Insurance 5-511.The reserve investments of a life insurer may include loans secured by (g) (1) first mortgages, or deeds of trust, on unencumbered fee-simple or improved leasehold real estate in a state or a province of Canada in an amount not exceeding 85% of the fair market

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

value of the real estate.

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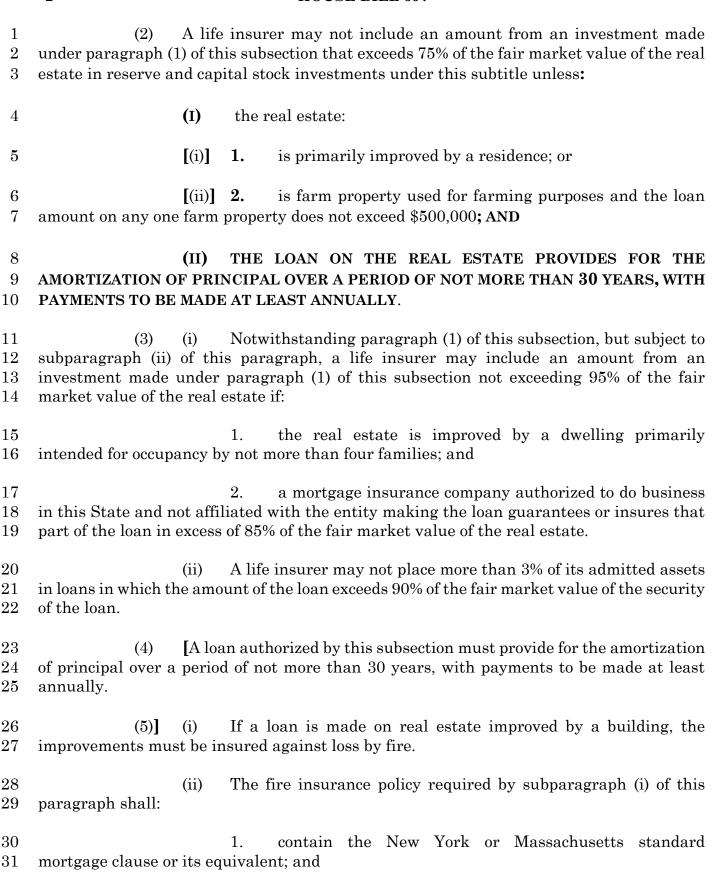
Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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loan.



be delivered to the mortgagee as additional security for the

2.

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(iii) A policy that insures against loss by fire and other coverages satisfies the requirements of this subsection.
[(6)] (5) The requirements of this section and any other law of the State that require security on a loan, prescribe the nature, amount, or form of security on a loan, or limit the interest rate on a loan do not apply if the reserve investments consist of bonds, notes, or other evidences of indebtedness secured by mortgages or deeds of trust that are guaranteed or insured by an instrumentality of the United States under the National Housing Act, Servicemen's Readjustment Act of 1944, or Bankhead—Jones Farm Tenant Act.
SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2015.
Approved:
Governor.
Speaker of the House of Delegates.
President of the Senate.