

Article - Insurance

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§10–202.

(a) (1) In this section the following words have the meanings indicated.

(2) “Guaranteed investment contract” means an agreement between an insurer and an entity listed in subsection (b)(5)(ii)2 of this section that:

(i) permits withdrawals by the purchaser for specified purposes; and

(ii) contains a general obligation of the insurer to repay a deposit plus interest.

(3) “Synthetic investment contract” means an agreement between an insurer and an entity listed in subsection (b)(5)(ii)2 of this section that:

(i) permits withdrawals by the purchaser for specified purposes; and

(ii) contains a limited obligation of the insurer to repay a deposit plus interest that is supported by a portfolio of fixed income securities identified in the agreement and owned by the purchaser.

(b) This subtitle does not apply to:

(1) an officer, employee, insurance producer, or other representative of an authorized insurer while acting for the authorized insurer;

(2) an insurance producer that holds a license while acting as an insurance producer for a client;

(3) an attorney at law of the State while acting within the scope of the legal profession;

(4) a licensed public adjuster while acting within the scope of the public adjuster’s license; and

(5) an individual:

(i) who is employed by an investment adviser registered with the Securities and Exchange Commission;

(ii) whose only clients in the State each:

1. has assets of not less than \$5,000,000; and

2. is one of the following types of institutional investors, whether acting for itself or as a trustee or fiduciary with investment control:

- A. an investment company, as defined in the Investment Company Act of 1940;
- B. an investment adviser registered with the Securities and Exchange Commission;
- C. an adviser, as defined in § 10-201 of this subtitle;
- D. a federal covered adviser, as defined in the Maryland Securities Act, Title 11 of the Corporations and Associations Article;
- E. a broker-dealer;
- F. a bank, trust company, or savings and loan association;
- G. a collective investment fund or common trust fund maintained by a bank or trust company;
- H. an insurer;
- I. an employee benefit plan;
- J. a governmental agency or instrumentality; or
- K. any other type of institutional investor, as designated by the Commissioner; and

(iii) whose business activities in the State that would otherwise be subject to regulation under this subtitle are limited to acting as an adviser with respect to guaranteed investment contracts or synthetic investment contracts.

(c) This section may not be construed to afford coverage for guaranteed investment contracts or synthetic investment contracts under the Life and Health Insurance Guaranty Corporation Act, Title 9, Subtitle 4 of this article.

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