

## Article - Insurance

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§5-102.

(a) Notwithstanding § 5-101 of this subtitle, in determining the financial condition of an insurer, the following expressly are not allowed as admitted assets:

(1) organizational expenses, trade names, and other similar intangible assets;

(2) except for policy loans, a secured or unsecured advance to an officer of the insurer;

(3) an advance given only on personal security to an employee or insurance producer of the insurer or to another person;

(4) stock of the insurer owned by it, any material interest in the stock of the insurer, any loan that is secured by the stock of the insurer, or any material proportionate interest in the stock of the insurer acquired or held through the insurer's ownership of an interest in another firm, corporation, or business unit;

(5) except for electronic data processing equipment and operating system software allowed as admitted assets under § 5-101(a)(11) of this subtitle, fixtures, furniture, furnishings, libraries, safes, stationery, supplies, and vehicles; and

(6) the amount, if any, by which the aggregate book value of investments carried in the ledger assets of the insurer exceeds the amount deemed collectible or the aggregate value of those investments as determined under this article.

(b) Notwithstanding subsection (a) of this section, a bona fide mortgage loan to an officer or employee of the insurer may be allowed as an admitted asset if the loan:

(1) is approved and ratified by the board of directors of the insurer;

(2) is secured by a first mortgage on a principal residence of an officer or employee; and

(3) does not exceed the amount allowed for any other mortgage investment under § 5-511(g) of this title.

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