

Article - Insurance

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§5–506.

(a) In addition to investments otherwise excluded under this article, a life insurer may not directly or indirectly invest in or lend its funds on the security of:

(1) an investment or security that the Commissioner finds is designed to evade a prohibition of this article; or

(2) issued shares of the life insurer's capital stock, except:

(i) for the purpose of mutualization under Title 3, Subtitle 1 of this article; or

(ii) in connection with a plan approved by the Commissioner for purchase of the shares by employees or insurance producers of the life insurer.

(b) A life insurer may not directly or indirectly make a loan to an officer or director of the life insurer, except:

(1) a policy loan; or

(2) a bona fide mortgage loan on the principal residence of the officer or director that has been approved or ratified by the board of directors of the life insurer.

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