

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1377 (Delegate Fulton)
Economic Matters

Foreign Investments of Life Insurers

This bill authorizes a life insurer to: (1) acquire foreign investments, or engage in investment practices with persons of or in foreign jurisdictions; and (2) acquire investments or engage in investment practices denominated in foreign currencies or certain additional foreign exposure. The aggregate amount of foreign investments then held by the life insurer may not exceed specified limitations.

In addition, the bill authorizes a life insurer that is or is not authorized to do business in a foreign jurisdiction, and that has outstanding insurance, annuity, or reinsurance contracts on lives or risks in that foreign jurisdiction and denominated in the currency of that jurisdiction to acquire: (1) foreign investments with respect to that jurisdiction; and (2) investments denominated in the currency of that jurisdiction. The aggregate amount of such foreign investments acquired by the life insurer may not exceed specified limitations. Under current law, a life insurer that is authorized to do business in a foreign country or that has outstanding insurance contracts on risks located in a foreign country may invest in assets in the foreign country within specified limitations.

The bill specifies that foreign investments of life insurers must be aggregated with other investments of the same type for purposes of determining compliance with any limitations.

Fiscal Summary

State Effect: None. Any additional review required of the Maryland Insurance Administration could be handled with existing resources.

Local Effect: None.

Small Business Effect: None.

Information Source(s): Maryland Insurance Administration

Fiscal Note History: First Reader - March 13, 1998

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