

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE  
Revised

House Bill 273 (Delegate Donoghue)  
Economic Matters

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**Life Insurers - Reserve Investments**

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This bill authorizes the reserve investments of life insurers to include residential real estate loans not exceeding 95% of the fair market value of the real estate if 2 conditions are met. The real estate must be improved by a dwelling primarily intended for occupancy by not more than 4 families and a mortgage insurance company, authorized to do business in the State and not affiliated with the entity making the loan, guarantees or insures the loan amount which is in excess of 85% of the fair market value. The insurer may not invest more than 3% of its admitted assets in loans exceeding 90% of the fair market value of the security of the loan.

This bill is effective June 1, 1999.

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**Fiscal Summary**

**State Effect:** None. The bill would not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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**Information Source(s):** Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 1999

inc/jr Revised - House Third Reader - March 18, 1999

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