

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

Senate Bill 189 (Senator Bromwell)

Finance

Life Insurers - Reserve Investments

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.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: Potential minimal.

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

Fiscal Note History: First Reader - February 11, 1999

lnc/jr Revised - Senate Third Reader - March 18, 1999

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