

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE  
Revised

House Bill 978 (Delegates Krsviak and Brown)

Economic Matters

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**Life Insurers - Classes of Reserve Investments**

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This bill provides life insurers, under specified conditions, with additional avenues of investment for their reserves. Life insurers are authorized to invest their reserves in: (1) securities lending, repurchase, reverse repurchase, and dollar roll transactions with business entities; (2) derivative transactions; (3) money market mutual funds; (4) certain asset backed securities and interest bearing bonds; and (5) certain foreign investments.

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**Fiscal Summary**

**State Effect:** The bill would not substantively change State activities or operations.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Under specified conditions, life insurers may invest their reserves in: (1) cash or deposits in checking or savings accounts; (2) interest-bearing bonds, notes, certificates, or other direct interest-bearing obligations of the United States or Canada, or one of their subdivisions; (3) interest-bearing bonds, notes, or other direct interest-bearing obligations of a corporation organized under the laws of the United States, Canada, or one of their subdivisions; (4) equipment trust obligations or certificates; (5) dividend-paying stock of a corporation created under the laws of the United States, Canada, or one of their subdivisions; (6) loans secured by first mortgages or deeds of trust; (7) interest, rents, or other fixed income on any of the above; and (8) certain limited foreign investments.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 763 (Senator Bromwell) - Finance.

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

**Fiscal Note History:** First Reader - February 29, 2000  
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