

Department of Legislative Services  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**

Senate Bill 236  
Finance

(Senator Kelley, *et al.*)

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**Life Insurance - Investment Accounts**

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This bill, by repealing specified provisions, expands the applicability of the authorization of a life insurer to allocate into investment accounts, in accordance with a written agreement, money paid to the life insurer that the life insurer is required to invest and apply toward the purchase of guaranteed income benefits under the life insurer's individual or group policies or annuity contracts or to provide other guaranteed benefits incidental to those policies or annuity contracts.

The bill takes effect July 1, 2007.

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**Fiscal Summary**

**State Effect:** Enforcement could be handled with the existing budgeted resources of the Maryland Insurance Administration.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** A life insurer may, in connection with a "qualified plan" and in accordance with a written agreement, allocate into investment accounts money that the life insurer is required to invest and apply to the purchase of guaranteed income benefits under the life insurer's individual or group policies or annuity contracts or to provide other guaranteed benefits incidental to those policies or annuity contracts. A qualified

plan is a pension, retirement, or profit-sharing plan or agreement that meets specified criteria under federal law.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 248 (Delegate Bromwell, *et al.*) – Health and Government Operations.

**Information Source(s):** Maryland Insurance Administration; Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 6, 2007  
ncs/ljm

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