

of Maryland (1939 Edition), title "Insurance", sub-title "General Provisions", be and the same is hereby repealed and re-enacted, with amendments, to read as follows:

25. *Investment of Reserves.* Every stock and mutual insurance company and Lloyds Association, domestic or foreign, authorized to do business in this State, must have and continually keep an amount equal to its entire reinsurance reserve and all other debts and claims against it, exclusive of capital stock, invested in the bonds, coin, currency or treasury notes of the United States, or interest, or dividend-paying bonds or stocks of this or any other State of the United States or on deposit in a national or State bank or trust company, or on deposit with or in the shares of Federal Savings and Loan Associations not in excess of five thousand dollars (\$5,000) in any such Federal Savings and Loan Association or of any county, incorporated city or other corporation of this or any other State having legal authority to issue the same, and not in default, or in real estate for the office or business purposes only of said company or bonds of the Home Owners Loan Corporation, a corporation created under an Act of Congress of the United States, approved June 13, 1933, or in debentures issued by the Federal Housing Administrator; or in securities of national mortgage associations; provided, however, that they shall have the right to purchase and hold real estate under a foreclosure of their own mortgages for a period of not more than five years; provided that the commissioner may, in his discretion, grant such extension or extensions, not exceeding five years each, of the period within which any such real estate may be held, that, in his judgment, may be necessary to serve the best interests of the company and of its policyholders; or it may be invested in ground rents, or loaned upon first mortgages on unincumbered fee simple, or improved leasehold, real estate, in this or any other State of the United States, to an amount not exceeding sixty-six and two-thirds per cent of the fair market value of such fee simple, or improved leasehold, real estate. Whenever such loans are made upon fee simple, or improved leasehold, real estate which is improved by a building or buildings, the said improvements shall be insured against loss by fire, and the fire insurance policies shall be duly assigned to the mortgagee as additional security for the said loan; or it may be loaned on pledges of any security named in this section, or on the policies of the company in force, provided, that each loan is less than the net reserve of the policy on which the loan is made, according to the standard of valuation prescribed in this Article; and provided, that the current market value of such pledged securities, other than the bonds and stocks of this State, or of the United States,