

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-259)
110TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT" *A* " to H.P. 343, L.D. 391, Bill,
"AN ACT to Clarify and Amend the Investment Provisions of
the Maine Insurance Code."

Amend the Bill by striking out everything after the
amending clause and inserting in its place the following:

'Such a mortgage loan or loans made or acquired by an
insurer on any one property shall not at time of investment
by the insurer be in amount in excess of 80% of the fair
market value of the property or permit amortization over a
period in excess of 40 years, or, in the case of leasehold
interest, be in excess of 75% of the fair market value of
such interest or permit amortization over a period exceeding
4/5 of the lease term remaining at the time of the loan in-
clusive of the term or terms which may be provided by enforceable
options of renewal, provided that this provision shall not
be deemed to prohibit an insurer from investing in a non-
amortizing mortgage loan so long as the period of nonamor-
tization does not exceed 5 years and the aggregate amount of
nonamortizing mortgage loans made under this subsection
shall not exceed 30% of the insurer's assets.'

Statement of Fact

The purpose of this amendment is to amend an existing section of the Maine Insurance Code in order to make it clear that Maine insurance companies can invest in non-amortizing mortgage loans, thereby remaining competitive with insurance companies of other states for such loans which frequently offer sound and attractive investment opportunities.

Reported by the Committee on Business Legislation.
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