

CHAPTER 564

(House Bill 456)

AN ACT to repeal and re-enact, with amendments, Section 25 Sub-section (1) (k-a) of Article 48A of the Annotated Code of Maryland (1947 Cumulative Supplement), title "Insurance", sub-title "General Provisions", relating to Investments of Life Insurance Companies in real estate.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 25 Sub-section (1) (k-a) of Article 48A of the Annotated Code of Maryland (1947 Cumulative Supplement), title "Insurance", sub-title "General Provisions", be, and the same is hereby repealed and re-enacted, with amendments, to read as follows:

25. (1) (k-a) Such unencumbered, fee-simple or improved leasehold real estate other than property to be used primarily for mining, recreational, amusement, hotel or club purposes, as may be acquired as an investment for the production of income, or as may be acquired to be improved or developed for any such investment purposes, subject to the following conditions and limitations: (1) The cost of each parcel of real or leasehold property so acquired under the authority of this paragraph, including the cost to the company of the improvement or development thereof, when added to the book value of all other real or leasehold property then held by it pursuant to this paragraph, shall not exceed five percent of its admitted assets as of the 31st day of December next preceding, and when added to the value of all real estate however acquired or held for investment, including home office and branch office properties, shall not exceed 20% of the company's total admitted assets; and (2) The cost of each parcel of real or leasehold property acquired under the authority of this paragraph, including the cost to the company of the improvement or development thereof, shall not exceed one per cent of the company's admitted assets as of the 31st day of December next preceding. Except as may be otherwise required by the Commissioner, each parcel of real or leasehold property held by the company under this paragraph, shall be valued on its books as of the 31st day of December of each year at an amount that will include a write-down of the cost of such property, including all improvement or development costs, at a rate that will average not less than two percent per annum of such cost for each year or part thereof, that the property has been so held, and be it further provided that the admitted values of such properties shall not exceed their depreciated values.