

(11) Interest, rents or other fixed income due and accrued on any of the investments named in subsections (1), (2), (3), (4), (5), (7), (8), (9), and (10), and upon policy loans of the insurer.

(12) 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:

(i) The cost of each parcel of real or leasehold property so acquired under the authority of this subsection, including the cost to the insurer 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 subsection, shall not exceed five percent of its admitted assets 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 insurer's total admitted assets; and

(ii) The cost of each parcel of real or leasehold property so acquired under the authority of this subsection, including the cost to the insurer of the improvement or development thereof, shall not exceed one percent of the insurer's admitted assets. Except as otherwise required by the Commissioner, each parcel of real or leasehold property held by an insurer under this section 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, excluding land cost but including all improvements or developments 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.

The entire reserves of a domestic life insurance company, as used in this section, shall be the sum of:

Net present value of all outstanding policies in force (less reinsurance); reserves for accidental death benefits and total and permanent disability benefits (less reinsurance); present value of supplementary contracts and including dividends left with the company to accumulate at interest; liability on policies cancelled and not included in "net reserve" upon which a surrender value may be demanded, and policy claims and losses outstanding; any additional reserves which may be reasonably required by the Commissioner on account of such insurance; less amount of net uncollected and deferred premiums.

SEC. 2. *Be it further enacted*, That Section 104 of Article 48A of the Annotated Code of Maryland (1968 Replacement Volume and 1971 Cumulative Supplement), title "Insurance Code," subtitle "7. Investments of Insurers other than Life Insurers," be and it is hereby repealed and re-enacted, with amendments, to read as follows:

104.

The reserve investments of an insurer shall consist of the following classes of assets subject to the limit, if any, set forth with regard to each type or class of asset: