

(1979 Replacement Volume and 1981 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland read(s) as follows:

Article 48A - Insurance Code

96.

Every domestic life insurer must have and continually keep to the extent of an amount equal to its entire reserves, as required by this article, invested in any combination of the following types of assets subject to the limit, if any, set forth with regard to each type or class of investment:

(12) Such fee-simple or improved leasehold real estate OR INTERESTS IN LIMITED PARTNERSHIPS FORMED FOR THE DEVELOPMENT OR OWNERSHIP OF SUCH 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 OR LIMITED PARTNERSHIP INTEREST 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 OR LIMITED PARTNERSHIP INTEREST then held by it pursuant to this subsection, shall not exceed [5] 15 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 percent of the insurer's total admitted assets; and

(ii) The cost of each parcel of real or leasehold property OR LIMITED PARTNERSHIP INTEREST so acquired under the authority of this subsection, including the cost to the insurer of the improvement or development thereof, shall not exceed 1 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 EITHER DIRECTLY OR THROUGH A LIMITED PARTNERSHIP under this section shall be valued on its books as of 31 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 2 percent per annum of such cost for each year or part thereof that