(II) SUBMIT A STATEMENT OR REPORT TO THE COMMISSIONER ON THE FINANCIAL CONDITION OF THE RESERVE.

(3) IN CONNECTION WITH AN EXAMINATION OR REQUIRED FINANCIAL STATEMENT OF AN AUTHORIZED INSURER, THE COMMISSIONER MAY:

(I) REQUIRE THE INSURER TO SUBMIT A COMPLETE FINANCIAL STATEMENT AND AUDITED REPORT OF THE FINANCIAL CONDITION OF A CORPORATION IN WHICH THE INSURER OWNS SECURITIES; AND

(II) ORDER AN EXAMINATION TO BE MADE OF A SUBSIDIARY OR AFFILIATE OF THE INSURER.

(B) STOCK OF ANOTHER INSURER.

(1) AN INSURER THAT OWNS 15% OR MORE OF THE STOCK OF ANOTHER INSURER SHALL HAVE ITS STOCK VALUED AT BOOK VALUE AS SHOWN BY THE MORE RECENT OF:

(I) THE LAST ANNUAL STATEMENT OF THE OTHER INSURER; OR

(II) THE LAST REPORT ON EXAMINATION OF THE OTHER INSURER.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE BOOK VALUE OF A SHARE OF COMMON STOCK OF AN INSURER SHALL BE REPRESENTED BY A FRACTION:

(I) THE NUMERATOR OF WHICH IS THE AMOUNT OF THE INSURER'S CAPITAL AND SURPLUS, LESS THE VALUE OF ANY OUTSTANDING PREFERRED STOCK; AND

(II) THE DENOMINATOR OF WHICH IS THE NUMBER OF SHARES OF THE INSURER'S COMMON STOCK ISSUED AND OUTSTANDING.

(3) AN INSURER MAY VALUE ITS HOLDINGS OF STOCK IN A SUBSIDIARY INSURER IN AN AMOUNT THAT IS NOT LESS THAN THE ACQUISITION COST, IF THE ACQUISITION COST IS LESS THAN THE VALUE DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(C) STOCK OF SUBSIDIARY.

THE STOCK OF A SUBSIDIARY OF AN INSURER SHALL BE VALUED ON THE BASIS OF ONLY THOSE ASSETS THAT WOULD BE AUTHORIZED INVESTMENTS FOR THE INSURER IF THE INSURER ACQUIRED OR HELD THEM DIRECTLY.

(D) REAL ESTATE.

REAL ESTATE THAT IS ACQUIRED BY FORECLOSURE OR BY DEED IN LIEU OF FORECLOSURE AND THAT LACKS A RECENT APPRAISAL THAT THE COMMISSIONER CONSIDERS RELIABLE MAY NOT BE VALUED AT AN AMOUNT GREATER THAN THE SUM OF:

(1) THE UNPAID PRINCIPAL OF ANY DEFAULTED LOAN AT THE DATE OF THE FORECLOSURE OR DEED;