(2) ANY TAXES AND EXPENSES THAT THE INSURER PAYS OR INCURS AT THE DATE OF THE FORECLOSURE OR DEED IN CONNECTION WITH THE ACQUISITION, EXCEPT FOR UNCOLLECTED INTEREST ON ANY LOAN;

(3) THE COST OF A LATER ADDITION OR IMPROVEMENT BY THE INSURER; AND

(4) AN AMOUNT THAT THE INSURER PAYS LATER ON ASSESSMENTS LEVIED FOR IMPROVEMENTS IN CONNECTION WITH THE PROPERTY.

(E) PURCHASE–MONEY MORTGAGE.

PURCHASE–MONEY MORTGAGES SHALL BE VALUED IN AN AMOUNT NOT EXCEEDING THE LESSER OF:

(1) THE ACQUISITION COST OF THE REAL PROPERTY; OR

(2) 90% OF THE VALUE OF THE REAL PROPERTY.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 84(1) through (5).

In subsection (a)(2)(ii) of this section, the phrase "to the Commissioner" is added to state expressly to whom a statement or report of the financial condition of a special investment reserve is to be sent.

In subsection (a)(3)(i) of this section, the former reference to securities that an insurer owns "wholly or partly" is deleted as surplusage.

In subsection (b)(1)(i) and (ii) of this section, the phrase "of the other insurer" is added for clarity.

Defined terms: "Authorized insurer" § 1–101
"Commissioner" § 1–101
"Insurer" § 1–101

5–402. BONDS.

(A) SCOPE OF SECTION.

THIS SECTION APPLIES TO A BOND OR OTHER EVIDENCE OF INDEBTEDNESS THAT:

(1) HAS A FIXED TERM AND RATE OF INTEREST;

(2) IS HELD BY AN INSURER;

(3) IS AMPLY SECURED; AND

(4) IS NOT IN DEFAULT AS TO PRINCIPAL OR INTEREST.

(B) METHODS OF VALUATION.

(1) A BOND OR OTHER EVIDENCE OF INDEBTEDNESS SUBJECT TO THIS SECTION MAY BE VALUED: