

1. the real estate is improved by a dwelling primarily intended for occupancy by not more than four families; and

2. a mortgage insurance company authorized to do business in this State and not affiliated with the entity making the loan guarantees or insures that part of the loan in excess of 85% of the fair market value of the real estate.

(ii) A life insurer may not place more than 3% of its admitted assets in loans in which the amount of the loan exceeds 90% of the fair market value of the security of the loan.

(4) A loan authorized by this subsection must provide for the amortization of principal over a period of not more than 30 years, with payments to be made at least annually.

(5) (i) If a loan is made on real estate improved by a building, the improvements must be insured against loss by fire.

(ii) The fire insurance policy required by subparagraph (i) of this paragraph shall:

1. contain the New York or Massachusetts standard mortgage clause or its equivalent; and

2. be delivered to the mortgagee as additional security for the loan.

(iii) A policy that insures against loss by fire and other coverages satisfies the requirements of this subsection.

(6) The requirements of this section and any other law of the State that require security on a loan, prescribe the nature, amount, or form of security on a loan, or limit the interest rate on a loan do not apply if the reserve investments consist of bonds, notes, or other evidences of indebtedness secured by mortgages or deeds of trust that are guaranteed or insured by an instrumentality of the United States under the National Housing Act, Servicemen's Readjustment Act of 1944, or Bankhead-Jones Farm Tenant Act.

(h) (1) Subject to paragraphs (2) and (3) of this subsection, the reserve investments of a life insurer may include ground rents in any state.

(2) For unexpired redeemable ground rents, any premiums paid must be:

(i) amortized over the period between the date of acquisition and the earliest redemption date; or

(ii) charged off before the redemption date.

(3) For expired redeemable ground rents, any premiums paid must be charged off when acquired.

(4) A life insurer shall carry redeemable ground rents purchased at a discount at an amount not greater than the cost of acquisition.