

(II) THE ADJUSTED AGGREGATE RESERVE SHALL BE RECALCULATED AS IF PARAGRAPH (1)(II) OF THIS SUBSECTION HAD BEEN IN EFFECT DURING THE 20 YEARS PRECEDING JANUARY 1, 2001.

(3) The aggregate sum of any excess reserves resulting from a recalculation under this subsection shall be released over a [5-year] 6-YEAR period in equal installments of [20%] ONE-SIXTH per year, BEGINNING WITH THE 2001 CALENDAR YEAR.

5-401.

(b) (1) An insurer that owns [15] 10% 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.

(d) 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;
- (2) any taxes and expenses that the insurer pays or incurs [at the date of the foreclosure or deed] TO PROTECT THE INVESTMENT OR 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.

5-508.

(a) A life insurer may lend to its policyholder on the policy as collateral security an amount not exceeding the [reserve on] CASH SURRENDER VALUE OF the policy.

(b) A policy loan is an eligible reserve investment of a life insurer.