

(II) MODIFY OR MODERNIZE THE STORAGE AND RETRIEVAL SYSTEM SHALL NOT BE CAPITALIZED COSTS.

(E) THE FOLLOWING COSTS SHALL BE EXPENSED AS INCURRED WITH REFERENCE TO THE VALUATION OF A TITLE PLANT:

- (1) COSTS INCURRED TO MAINTAIN A TITLE PLANT; AND
- (2) COSTS INCURRED TO PERFORM TITLE SEARCHES.

(F) THE AGGREGATE CARRYING VALUE OF AN INVESTMENT IN A TITLE PLANT MAY NOT EXCEED THE LESSER OF:

- (1) 20% OF THE ADMITTED ASSETS; OR
- (2) 40% OF THE SURPLUS ~~TO~~ AS REGARDS POLICYHOLDERS.

(G) A TITLE INSURER MAY SELL:

- (1) A TITLE PLANT AND RELINQUISH ALL RIGHTS TO FUTURE USE OF THE TITLE PLANT;
- (2) AN UNDIVIDED OWNERSHIP INTEREST IN ITS TITLE PLANTS; AND
- (3) A COPY OF A TITLE PLANT OR THE RIGHT TO USE A TITLE PLANT.

(H) SUBJECT TO THE APPROVAL OF THE COMMISSIONER, A TITLE INSURER MAY:

(1) ENTER INTO AN AGREEMENT WITH ONE OR MORE OTHER TITLE INSURERS AUTHORIZED TO DO BUSINESS IN THE STATE FOR THE PURPOSE OF JOINTLY PARTICIPATING IN THE OWNERSHIP, MANAGEMENT, AND CONTROL OF A TITLE PLANT SO AS TO SERVE THE NEEDS OF THE INSURERS; OR

(2) HOLD STOCK IN A CORPORATION THAT OWNS AND OPERATES A TITLE PLANT FOR THE PURPOSE OF PARTICIPATING IN THE OWNERSHIP, MANAGEMENT, AND CONTROL OF A TITLE PLANT.

(I) EXCEPT AS PROVIDED IN THIS SECTION, TITLE INSURERS SHALL COMPLY WITH THE INVESTMENT REQUIREMENTS UNDER SUBTITLE 6 OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.

Approved May 21, 1998.

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