

(1) an investment authorized under subsections (c) through (e) and (g) through (j) of this section; or

(2) policy loans of the life insurer.

(1) (1) The real estate authorized by this subsection to be held as a reserve investment by a life insurer does not include property to be used primarily for mining, recreational, amusement, hotel, or club purposes.

(2) Subject to paragraphs (3) through (6) of this subsection, the reserve investments of a life insurer may include fee-simple or improved leasehold real estate or interests in limited partnerships formed for the development or ownership of fee-simple or improved leasehold real estate, if acquired:

(i) as an investment for the production of income; or

(ii) to be improved or developed as an investment for the production of income.

(3) The cost of each parcel of fee-simple or improved leasehold real estate or each limited partnership interest acquired under this subsection, including the cost to the life insurer of improving or developing the real estate, may not exceed:

(i) 15% of the admitted assets of the life insurer, when added to the book value of all other fee-simple or improved leasehold real estate or limited partnership interests then held by the life insurer under this subsection; and

(ii) 20% of the total admitted assets of the life insurer, when added to the value of all real estate however acquired or held for investment by the life insurer, including home office and branch office properties.

(4) The cost of each parcel of fee-simple or improved leasehold real estate or each limited partnership interest acquired under this section, including the cost to the life insurer of improving or developing the real estate, may not exceed 1% of the admitted assets of the life insurer.

(5) (i) Except as otherwise required by the Commissioner, each parcel of fee-simple or improved leasehold real estate held by a life insurer directly or through a limited partnership under this subsection shall be valued on the books of the life insurer as of December 31 of each year at an amount that includes a write-down of the cost of the property, excluding the land cost, but including all improvements or development costs, at a rate that averages not less than 2% per year of the cost of the property for each year or part of a year that the property is held.

(ii) The admitted values of each parcel of fee-simple or improved leasehold real estate held under this subsection may not exceed the depreciated value of the property.

(6) A life insurer may not count towards its cash reserves any more than the lesser of:

(i) 75% of the investment value of any limited partnership interest; and