

## Article - Insurance

[Previous][Next]

§5-402.

- (a) 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) (1) A bond or other evidence of indebtedness subject to this section may be valued:
  - (i) if purchased at par, at the par value; or
  - (ii) if purchased above or below par:
    - 1. on the basis of the purchase price adjusted to bring the value to par at maturity and to yield in the meantime the effective rate of interest at which the purchase was made; or
    - 2. according to another accepted method of valuation that the Commissioner approves.
- (2) The purchase price may not be valued at a higher figure than the sum of:
  - (i) the actual market value at the time of purchase; and
  - (ii) the actual brokerage, transfer, postage, or express charges paid in the acquisition of the bond or other evidence of indebtedness.
- (3) Unless otherwise provided by a valuation that the Commissioner establishes or approves, a bond or other evidence of indebtedness may not be carried on its books at above the call price for the entire issue during any period within which the security may be called.

[Previous][Next]