§ 1705. Quantitative limitations. * (a)(1) Unless the superintendent shall have given prior written approval, a parent corporation shall not make an investment for its own account in any subsidiary (not at the time exempt from the provisions of this section) if, after giving effect to such investment, the aggregate investment value of all subsidiaries then directly invested in by the parent corporation (excluding investments in subsidiaries at the time exempted from this subsection) would be in excess of thirty percent (but not more than twenty percent with respect to subsidiaries not having their principal operations in this state, and, in the case of a parent corporation of the type described in subsection (b) of section one thousand seven hundred one of this article, not more than ten percent) of the parent corporation's admitted assets.

(2) Unless the superintendent shall have given prior written approval, neither the parent corporation nor any subsidiary (other than a separate account subsidiary or any subsidiary referred to in subsection (c) of section one thousand seven hundred four of this article) may make any investment in any subsidiary (not at the time exempt from this paragraph), if, after giving effect to such investment, the investment value of such subsidiary would aggregate more than fifteen percent (but not more than two percent in the case of a parent corporation of the type described in subsection (b) of section one thousand seven hundred one of this article) of the parent corporation's admitted assets.

* NB See other sub§ (a) (Sep. amended - cannot be put together)

* (a)(1) Unless the superintendent shall have given prior written approval, a parent corporation shall not make an investment for its own account in any subsidiary (not at the time exempt from the provisions of this section) if, after giving effect to such investment, the aggregate investment value of all subsidiaries then directly invested in by the parent corporation (excluding investments in subsidiaries at the time exempted from this subsection) would be in excess of thirty percent (but not more than twenty percent with respect to subsidiaries not having their principal operations in this state and, in the case of a parent corporation of the type described in subsection (b) of section one thousand seven hundred one of this article, not more than ten percent) of the parent corporation's admitted assets.

(2) Unless the superintendent shall have given prior written approval,

neither the parent corporation nor any subsidiary (other than a separate account subsidiary or any subsidiary referred to in subsection (c) of section one thousand seven hundred four of this article) may make any investment in any subsidiary (not at the time exempt from this paragraph), if, after giving effect to such investment, the investment value of such subsidiary would aggregate more than fifteen percent (but not more than two percent in the case of the parent corporation of the type described in subsection (b) of section one thousand seven hundred one of this article) of the parent corporation's admitted assets.

* NB See other sub§ (a) (Sep. amended - cannot be put together)

(b) "Admitted assets," for the purposes of this section, has the meaning ascribed to it by subparagraph (B) of paragraph one of subsection (b) of section one thousand four hundred five of this chapter.

(c) (1) For the purposes of computations under paragraph one of subsection (a) of this section, the aggregate investment value of all subsidiaries at any time directly invested in by the parent corporation (excluding investments in subsidiaries at the time exempted from subsection (a) of this section) shall mean the sum of (i) the minimum value of each such subsidiary of which equity securities (including partnership interests) are directly held by the parent corporation, (ii) indebtedness of such subsidiaries then outstanding to the extent guaranteed by the parent corporation, and (iii) the unpaid principal amount of loans and advances to such subsidiaries by the parent corporation or by any investment subsidiary of the parent corporation then outstanding (including the unpaid principal amount of bonds, notes or other evidences of indebtedness of such subsidiaries held by the parent corporation or by any such investment subsidiary). The minimum value of a subsidiary as of any date shall be the greater of (i) the net cost of the equity investment in such subsidiary by the parent corporation or (ii) the pro rata interest of the parent corporation in the net worth of such subsidiary.

(2) For purposes of computations under paragraph two of subsection (a) of this section, the investment value of a subsidiary at any time shall be an amount equal to the sum of (i) the minimum value of such subsidiary, (ii) indebtedness of such subsidiary then outstanding to the extent guaranteed by the parent corporation, and (iii) the unpaid

principal amount of loans and advances to the subsidiary by the parent corporation or by any investment subsidiary of the parent corporation then outstanding (including the unpaid principal amount of bonds, notes or other evidences of indebtedness of the subsidiary held by the parent corporation or by any such investment subsidiary). The minimum value of a subsidiary as of any date shall be the greater of (i) the net cost of the equity investment in such subsidiary by the parent corporation and its subsidiaries or (ii) the pro rata interest of the parent corporation and its subsidiaries in the net worth of such subsidiary.

(3) For purposes of this subsection, the "net cost of the equity investment" by any person in a subsidiary at any time shall mean the aggregate amount of contributions to and purchases of equity securities (including partnership interests) and other equity interests of such subsidiary (less repurchases of such equity securities and other equity interests) by such person at such time and the "net worth" of a subsidiary shall mean the net worth of the subsidiary determined in accordance with generally accepted accounting principles, as of the end of its most recent fiscal year. In determining the minimum value of a holding company operating subsidiary, there shall be taken into account the greater of the net cost of the equity investment of the holding company operating subsidiary in each subsidiary or the pro rata interest of the holding company operating subsidiary in the net worth of such subsidiary. The superintendent may require, by regulation, that parent corporations submit reports annually to the superintendent as to the aggregate investment value of all subsidiaries held by the parent corporation determined in accordance with paragraph one of this subsection or the investment value of any particular subsidiary or class of subsidiaries held by the parent corporation determined in accordance with paragraph two of this subsection, which values may be required to be audited by an independent public accountant in accordance with generally accepted auditing standards.