

INS 3

Filed November 26, 1970
12:55 P.M.

STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE) ss.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, S. C. DuRose, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order amending, repealing and recreating a rule relating to mortgage guaranty insurance was issued by this office on November 25, 1970.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the official seal of the Office of the Commissioner of Insurance in the City of Madison, State of Wisconsin, this 25th day of November, 1970.

STATE OF WISCONSIN
DEPARTMENT OF STATE
RECEIVED AND FILED

NOV 25 1970

S. C. DuRose
S. C. DuRose
Commissioner of Insurance

ROBERT C. ZIMMERMAN
SECRETARY OF STATE

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

Amending, Repealing, and Recreating Rules

Pursuant to authority vested in the Commissioner of Insurance by section 601.41 (3), Wis. Stats., the Commissioner of Insurance hereby amends, repeals, and recreates a rule as follows:

Section Ins 3.09 (2), (3) (a) and (b), and (4) (a) and (b) is amended to read:

(2) DEFINITION. Mortgage guaranty insurance is that kind of insurance authorized by section 201.04 (19), Wis. Stats., and includes the guarantee of the payment of rentals under leases of real estate in which the lease extends for three years or longer.

(3) ACCOUNTING AND REPORTING. (a) The financial position of an insurer shall be reported annually on the Fire and Casualty annual statement form specified by Wis. Adm. Code section Ins 7.01 (5) (a).

(b) Expenses shall be recorded and reported in accordance with Wis. Adm. Code sections Ins 6.30 and Ins 6.31.

(4) CONTINGENCY RESERVE. (a) The reserve established in paragraph (d) of subsection (3) shall be maintained for 120 months for the purpose of protecting against the effect of adverse economic cycles and to permit mortgage guaranty insurance companies to comply with section 832(e) of the Federal Internal Revenue Code. That portion of the special premium reserve established more than 120 months prior shall be released and shall no longer constitute part of the special reserve and may be used for usual corporate purposes.

(b) Subject to the approval of the commissioner, the reserve shall be available only for loss payments when the incurred losses in any one year exceed 35% of the corresponding earned premiums.

Section Ins 3.09 (5) is repealed and recreated to read:

(5) POLICY FORMS. All policy forms and endorsements shall be filed with and be subject to the approval of the commissioner of insurance. With respect to owner-occupied single-family dwellings, the mortgage insurance policy shall provide that the borrower shall not be liable to the insurance company for any deficiency arising from a foreclosure sale.

The rule herein contained shall take effect on January 1, 1970, as provided in section 227.026 (1), Wis. Stats.

Office of the Commissioner of Insurance



S. C. DuRose
Commissioner of Insurance

Dated November 25, 1970