

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

In the Matter of the Proposed Waiver)
Mortgage Guaranty Insurance Corporation) Docket No. 4171-W

CONSENT ORDER

Pursuant to the authority granted to the Commissioner of Insurance (“Commissioner”) by K.S.A. §40-3512, as amended by the 2010 legislature, the Commissioner hereby, at the filing of a request of Mortgage Guaranty Insurance Corporation for a waiver of the risk to capital requirements of mortgage guaranty insurance companies operating in the state of Kansas, makes the following findings of fact, and conclusions of law, to wit:

This Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for a hearing is made, pursuant to K.S.A. §77-542.

Findings of Fact

1. The Commissioner has jurisdiction over this matter pursuant to K.S.A. §40-3512, as amended.
2. Mortgage Guaranty Insurance Corporation (“Corporation”) requested an Order on April 23, 2010, waiving the risk to capital requirements of the Corporation pursuant to K.S.A. §40-3512, as amended.
3. Corporation was admitted to the State of Kansas on September 18, 1980 to underwrite mortgage guaranty insurance business.
4. Corporation is one of twenty-four companies authorized to write mortgage guaranty insurance coverage insurance as of the date of this Order.

5. Corporation wrote twenty six percent (26%) of the direct premiums of mortgage guaranty insurance-written in the State of Kansas for the year ending December 31, 2009.
6. Corporation has stated it may exceed the maximum risk to capital ratio and would not be able to continue writing mortgage guaranty insurance in the state of Kansas.

Conclusions of Law

Based on the Findings of Fact enumerated above in Paragraphs #1 through #6:

IT IS THEREFORE ORDERED BY THE COMMISSIONER OF INSURANCE:

A waiver of the risk to capital requirements is hereby granted at the request of the Corporation as provided for in K.S.A. §40-3512, as amended by 2010 House Bill 2501 (Section 1), which states in part: “...*Upon the request of a mortgage guaranty insurance company, the commissioner may waive the requirements in this section for such time and under such conditions as the commissioner may order, except that no such waiver shall exceed two years.*”

1. The Commissioner approves the waiver request of Corporation for the period July 1, 2010 until December 31, 2011, subject to the following stipulations:
 - A. That the Corporation provides the Commissioner, on semi-annual basis, a report showing the risk to capital ratio, pursuant to K.S.A. §40-3512, as amended, for each mortgage insurance company and on a consolidated basis for all mortgage guaranty companies which are part of the holding company system defined in K.S.A. §40-3302.
 - B. That the Corporation provide the Commissioner *pro-forma* financial projections of direct premiums written, admitted assets, total liabilities and capital and surplus along with cash flow projections for each quarter through December 31, 2011.
 - C. That the Corporation provides the Commissioner notification of any regulatory actions taken against the Corporation and affiliates.

D. That the Corporation provides the Commissioner notification of any rating agency actions taken of the Corporation and affiliates.

2. The Commissioner retains jurisdiction over this matter to issue any and all further Orders deemed appropriate or to take such further action as necessary to dispose of this matter.

NOTICE OF RIGHTS

Corporation is entitled to a hearing pursuant to K.S.A. §77-537, the Kansas Administrative Procedure Act. If Respondent desires a hearing, the company must file a written request for a hearing with:

John W. Campbell, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

This request must be filed within fifteen (15) days from the date of service of this Order. If Respondent requests a hearing, the Kansas Insurance Department will notify the Respondent of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of the same. If a hearing is not requested in the time and manner stated above, this Summary Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. §77-613. In the event Respondent files a petition for judicial review, pursuant to K.S.A. §77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612

IT IS SO ORDERED THIS 14th DAY OF JULY, 2010, IN THE CITY OF TOPEKA,
COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Sandy Praeger
Sandy Praeger
Commissioner of Insurance

BY:

/s/ John W. Campbell
John W. Campbell
General Counsel

Stipulation

The undersigned agree to the above recitations and facts as well as the Conclusions of Law and the actions of the Commissioner.

/s/ Heidi A. Heyrman
Heidi A. Heyrman
Vice President
Mortgage Guaranty Insurance Corporation

Certificate of Service

The undersigned hereby certifies that above and foregoing Summary Order was served via the United States Postal Service, first-class postage prepaid, on this __14th__ day of July, 2010, addressed to the following:

_____/s/ John R. Dowell_____
John R. Dowell
Staff Attorney