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| LINE OF BUSINESS: | **Mortgage Guaranty** | LINE(S) OF INSURANCE | CODES |
|  |  | Mortgage Guaranty | 6.0000 |
|  |  | MG-Fixed Rate Mortgages | 6.0001 |
| Code: | 6.0000 | MG-Trust/Pools | 6.0002 |
|  |  | MG - Variable | 6.0003 |
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| IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN: | |  |  |
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| REVIEW REQUIREMENTS | REFERENCE | DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS | LOCATION OF STANDARD IN FILING |
| --- | --- | --- | --- |
| GENERAL REQUIREMENTS FOR ALL FILINGS |  |  |  |
|  | [K.S.A. 40-3501](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0001.html) through [K.S.A. 40-3521](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0021.html) | These statutes may be cited as the “mortgage guaranty insurance act” and contain the requirements for mortgage guaranty filings. |  |
| COPIES, RETURN ENVELOPES, ETC |  |  |  |
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| COVER LETTER AND EXPLANATORY MEMORANDUM |  |  |  |
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| EFFECTIVE DATE | [K.S.A. 40-955](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0055.html)  [K.S.A. 40-216](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0016.html) | Filings shall be effective on effective date unless disapproved within 30 days. |  |
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| FREE CONTRACT PROHIBITED |  |  |  |
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| LIMITATIONS/RESTRICTIONS ON TRANSACTING BUSINESS | [K.S.A. 40-3502](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0002.html)  [K.S.A. 40-3509](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0009.html) | May not exceed 105% of fair market value of real estate secured  and may not transact any other class of insurance. |  |
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| LINE OF AUTHORITY | [K.S.A. 40-3504](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0004.html)  [K.S.A. 40-901](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0001.html)  [K.S.A. 40-1102](https://www.ksrevisor.org/statutes/chapters/ch40/040_011_0002.html) | Insurer must have Mortgage Guaranty Authority to write any line of coverage contemplated in the policy. |  |
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| NO FILE OR FILING EXEMPTIONS |  |  |  |
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| MORTGAGE POOL |  |  |  |
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| THIRD PARTY FILERS AUTHORITY |  |  |  |
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| TRANSACTING OTHER BUSINESS | [K.S.A. 40-3509](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0009.html) | Insurers may only write mortgage guaranty |  |
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| FORMS⎯POLICY  PROVISIONS |  |  |  |
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| ACCESS TO COURTS |  |  |  |
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| AMBIGUOUS & MISLEADING | [K.S.A. 40-2404(1)(a)](https://www.ksrevisor.org/statutes/chapters/ch40/040_024_0004.html) | This statute provision prohibits policy provisions that misrepresent the benefits, advantages, conditions, or terms of any insurance policy. |  |
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| APPLICATIONS | [K.A.R. 40-3-23](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-23.pdf) | Requires that binder forms be filed. |  |
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| APPRAISALS |  |  |  |
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| ARBITRATION |  |  |  |
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| BANKRUPTCY PROVISIONS |  |  |  |
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| BLANK ENDORSEMENTS | [Bulletin 1998-13](https://insurance.ks.gov/department/LegalIssues/bulletins/1998-13.html)  K.S.A. 40-216  K.A.R. 40-1-32  K.A.R. 40-1-39  K.A.R. 40-3-32 | “Blank,” “Change” or “Manuscript” endorsement when used on an individual risk basis to broaden or restrict coverage must continue to be submitted for approval pursuant to K.S.A. 40-216 or K.A.R. 40-3-32(d) unless exempted by K.A.R. 40-3-32(b) and (c). Insurers are still required to comply with the filing requirements of K.A.R. 40-1-32 and K.A.R. 40-1-39. |  |
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| CANCELLATION & NON-RENEWAL | [K.S.A. 40-2,120](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0120.html)  [K.S.A. 40-2,121](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0121.html)  [K.A.R. 40-3-15](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-15.pdf) | K.S.A. 40-2,120 establishes the grounds for a mid-term cancellation of the policy. K.S.A. 40-2,121 establishes the grounds to non-renew a policy and the notification requirements to the policyholder. K.A.R. 40-3-15 provides a 30-day notice must be given to the policyholder in the event of a mid-term cancellation. |  |
| Calculation of Unearned/Return Premium | [K.S.A. 40-2,112](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0112.html) | Refund for cancellation may accompany the notice or be returned within 10 days from the date of notice. |  |
| Conditional Renewal |  |  |  |
| Minimum Retained Premium |  |  |  |
| Notice of Cancellation | [K.S.A. 40-2,122](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0122.html)  [K.A.R. 40-3-15](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-15.pdf) | Written explanation and notice and establishes the time limit notification to the policyholder. |  |
| Notice of Non-renewal | [K.S.A. 40-2,121](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0121.html)  [K.S.A. 40-2,122](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0122.html) | Written explanation and notice. |  |
| Permissible Reasons for Cancellation | [K.S.A. 40-2,120](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0120.html) | This statute establishes the grounds for cancellation. |  |
| Permissible Reasons for Non-renewal | [K.S.A. 40-2,121](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0121.html)  [K.S.A. 40-2,122](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0122.html) | These statutes establish the grounds for non-renewal and the time limit notification to the policyholder. |  |
| Required Policy Period |  |  |  |
| Return Premium | [K.A.R. 40-1-17](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-17.pdf) | Request of the return of unearned premium by the insured shall not be required. |  |
| Suspension |  |  |  |
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| CERTIFICATIONS | [Bulletin 2010-2](https://insurance.ks.gov/department/LegalIssues/bulletins/2010-2.pdf) | Insurance agents may not issue certificates of insurance that are not filed and approved by the Kansas Insurance Department, or which violate [K.S.A. 40-955b](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0055b.html). |  |
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| CONSUMER INFORMATION |  |  |  |
| Credit Scoring Notice | [K.S.A. 40-5103](https://www.ksrevisor.org/statutes/chapters/ch40/040_051_0003.html)  [K.S.A. 40-5104](https://www.ksrevisor.org/statutes/chapters/ch40/040_051_0004.html)  [K.S.A. 40-5107](https://www.ksrevisor.org/statutes/chapters/ch40/040_051_0007.html)  [K.S.A. 40-5115](https://www.ksrevisor.org/statutes/chapters/ch40/040_051_0015.html) | These statutes pertain to the use of credit scoring. |  |
| Privacy notice | [K.A.R. 40-1-46](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-46.pdf) | This regulation requires all licensees as defined in the regulation to provide privacy notices to its consumers. |  |
| VSI Warning |  |  |  |
| Notification Form |  |  |  |
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| CONTENT OF POLICIES | [K.S.A. 40-216](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0016.html)  [K.A.R. 40-3-32](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-32.pdf)  [K.A.R. 40-1-15](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-15.pdf)  [K.A.R. 40-1-16](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-16.pdf)  [K.A.R. 40-1-19](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-19.pdf) | Requires that all contracts of insurance or indemnity be filed with  Commissioner of Insurance.  Exceptions listed in K.A.R. 40-3-32.  This regulation provides that a policy form shall not contain the  name of an insurance company that is “unauthorized” to transact  business in Kansas. May use an endorsement to “delete” an  unauthorized company. “Unauthorized” means not licensed or does not have program in question filed.  Addresses prohibition of advertising on forms.  Addresses combination policies. |  |
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| COUNTERSIGNATURES |  |  |  |
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| DECLARATIONS PAGE | [K.A.R. 40-3-5](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-5.pdf) | This regulation requires the filing of declaration pages, unless the company is a member of a rating organization, and the rating organization has the authority to file on its behalf. |  |
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| DISCLOSURES |  |  |  |
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| DEFINITIONS | [Bulletin 1983-19](https://insurance.ks.gov/department/LegalIssues/bulletins/1983-19.html) | Actual cash value must be defined. |  |
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| DISCRIMINATION | [K.S.A. 40-3510](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0010.html) | Insurer may not discriminate on the basis of the applicant’s sex, marital status, race, color, creed or national origin. |  |
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| EXCESS COVERAGE |  |  |  |
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| EXCLUSIONS & LIMITATIONS | [K.S.A. 40-3505](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0005.html) | No mortgage guaranty insurer shall have more than 20% of its total insurance in any one standard metropolitan statistical area. |  |
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| FICTITIOUS GROUPS | [K.A.R. 40-3-6](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-6.pdf) | This regulation prohibits offering a preferred rate, coverage, or premium based on any fictitious group. |  |
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| FORMS MISCELLANEOUS |  |  |  |
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| LIMITS | [K.S.A. 40-3505](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0005.html) | A mortgage guaranty insurance company shall not insure loans secured by a single risk in excess of 10% of its aggregate capital, surplus and contingency reserve. |  |
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| LOSS PAYEE |  |  |  |
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| LOSS SETTLEMENTS |  |  |  |
| Appraisal |  |  |  |
| Action Against Company | [K.S.A. 60-511](https://www.ksrevisor.org/statutes/chapters/ch60/060_005_0011.html) | K.S.A. 60-511 establishes the timeframe for legal actions. |  |
| Arbitration |  |  |  |
| Deductibles |  |  |  |
| Defense Costs | [K.S.A. 40-953](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0053.html) | Defense costs within the limit of liability may create an excess rate level |  |
| Loss Valuation |  |  |  |
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| NOTICE REQUIREMENTS |  |  |  |
| Payment of Loss Time Period | [K.S.A. 40-2,126](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0126.html) | This statute requires that an insurer must pay a claim within 30 days or will have to pay interest penalties. |  |
| Appraisal |  |  |  |
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| MINIMUM STANDARDS FOR CONTENT (POLICIES AND STANDARD FORMS) |  |  |  |
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| POLICY MUST CONTAIN ENTIRE CONTRACT | [K.A.R. 40-3-11](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-11.pdf) | Possession of policy in person other than insured; copy for insured. |  |
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| PREMIUM AUDIT |  |  |  |
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| PRIOR APPROVAL |  |  |  |
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| PUNITIVE DAMAGES | [K.S.A. 40-2,115](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0115.html) | Punitive or Exemplary Damages are prohibited except for insured being vicariously liable. |  |
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| READABILITY |  |  |  |
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| REBATES | [K.S.A. 40-3513](https://www.ksrevisor.org/statutes/chapters/ch40/040_035_0013.html)  [K.S.A. 40-966](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0066.html) |  |  |
|  |  |  |  |
| SUBROGATION |  |  |  |
| Suit | [K.S.A. 60-511](https://www.ksrevisor.org/statutes/chapters/ch60/060_005_0011.html) | K.S.A. 60-511 establishes the timeframe for legal actions. |  |
|  |  |  |  |
| TIMELINESS |  |  |  |
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| USE & FILE |  | This filing type is not permitted in Kansas. |  |
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| VOIDANCE | [K.S.A.](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0118.html) 40-2,120  K.S.A. 40-2,121  K.S.A. 40-2,122  K.A.R. 40-3-15 | Kansas insurance law makes no provisions for the voiding or rescinding of an insurance contract. The policy may be cancelled or non-renewed in accordance with the provisions of K.A.R. 40-3-15 and K.S.A. 40-2,120 through K.S.A. 40-2,122. |  |
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| WARRANTIES | [K.A.R. 40-3-16](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-16.pdf) | Insurers cannot require insureds to make expressed or implied warranties of any fact or allegation in an application or policy. |  |
|  |  |  |  |
| OTHER |  |  |  |
| Terrorism | TRIA | It is acceptable to not provide terrorism coverage for Mortgage Guaranty. |  |
| RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS |  |  |  |
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| ACTUARIAL CERTIFICATIONS FOR RATES | [K.S.A. 40-955(e)](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0055.html) | Commissioner may require the insurer or rating organization to provide, at their expense info necessary to evaluate the reasonableness of the filing. |  |
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| CREDIT SCORING AND REPORTS | [K.S.A. 40-5103](https://www.ksrevisor.org/statutes/chapters/ch40/040_051_0003.html)  [K.S.A. 40-5104](https://www.ksrevisor.org/statutes/chapters/ch40/040_051_0004.html)  [K.S.A. 40-5107](https://www.ksrevisor.org/statutes/chapters/ch40/040_051_0007.html)  [K.S.A. 40-5115](https://www.ksrevisor.org/statutes/chapters/ch40/040_051_0015.html) | The insurance company is required to comply with the noted statutes when credit scores are used for rating. |  |
|  |  |  |  |
| CREDIBILITY |  |  |  |
| DISCOUNTS | [K.S.A. 40-953](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0053.html)  [K.S.A. 40-954](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0054.html) | Discounts must be supported and justified with premium, loss or expense data and meet public policy concerns |  |
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| EXPIRATION DATE(S) FOR APPROVED RATES |  |  |  |
|  |  |  |  |
| GROUP POLICIES | [K.S.A. 40-955(m)](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0055.html)(2) | Master and group policies are not allowed in P&C lines of coverage except as allowed in K.S.A. 40-955(m)(2). |  |
| Extra-Territorial Approval Authority |  |  |  |
|  |  |  |  |
| LOSS RATIO STANDARDS |  |  |  |
|  |  |  |  |
| MID TERM CHANGES | [K.A.R. 40-1-32](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-32.pdf)  [K.A.R. 40-1-39](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-39.pdf) | These regulations establish that any mid-term changes must be done with the consent of the insured. |  |
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| PREMIUM REFUND OR RETENTION | [K.A.R. 40-1-17](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-17.pdf)  [K.S.A. 40-2,112](https://www.ksrevisor.org/statutes/chapters/ch40/040_002_0112.html) | An insured is not required to request the return of unearned premium. Any unearned premium must be sent to the consumer with the cancellation notice. |  |
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| PRICING | [K.S.A. 40-955](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0055.html) | Requires rates to be filed. |  |
| Charges |  |  |  |
| Minimum Premium Rules |  |  |  |
| Multi-tier | [K.S.A. 40-955](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0055.html) | A company choosing to adopt a tiered rating plan must adhere to the requirements outlined in this bulletin.  The eligibility criteria for a tiered rating plan must be on file. The criteria must be mutual exclusive to prevent unfair rate discrimination. |  |
| Payment Plans | [K.A.R. 40-1-10](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-10.pdf) | This regulation addresses the filing of payment plans. |  |
| Premiums |  |  |  |
| Service Charges | [K.A.R. 40-1-9](https://insurance.ks.gov/documents/department/regulations-adopted/article-1/40-1-9.pdf) | This regulation defines service charges as premium. |  |
| Surcharges |  |  |  |
| Other Fees |  |  |  |
|  |  |  |  |
| RATE RANGES | [K.S.A. 40-953](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0053.html)  K.S.A. 40-954  K.S.A. 40-955 | Range of Rates are not permitted in Kansas |  |
|  |  |  |  |
| RATING PLAN REQUIREMENTS |  |  |  |
| Expense Modification Plan | [K.A.R. 40-3-13](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-13.pdf) | Risk modification shall not be applied to duplicate factors already fully recognized in the otherwise applicable rate. |  |
| Experience Rating | [K.A.R. 40-3-13](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-13.pdf) | Risk modification shall not be applied to duplicate factors already fully recognized in the otherwise applicable rate |  |
| Large Deductible |  |  |  |
| Retrospective Rating |  |  |  |
| Schedule Rating | [K.S.A. 40-955b](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0055b.html) | These establish the schedule rating requirements in Kansas |  |
| Small Deductible |  |  |  |
| Wrap-up Rating |  |  |  |
|  |  |  |  |
| RATE/LOSS COST SUPPORTING INFORMATION |  |  |  |
| Competition |  |  |  |
| Expenses |  |  |  |
| Experience |  |  |  |
| Judgment |  |  |  |
| Credibility |  |  |  |
| Profit Loading | [K.S.A. 40-954](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0054.html) | Profit load must be reasonable. |  |
|  |  |  |  |
| RETURN ON EQUITY/ INVESTMENT INCOME | [K.A.R. 40-3-45](https://insurance.ks.gov/documents/department/regulations-adopted/article-3/40-3-45.pdf) | This regulation requires that investment income be factored into the rates. |  |
|  |  |  |  |
| SUPPORTING DATA | [K.S.A. 40-954](https://www.ksrevisor.org/statutes/chapters/ch40/040_009_0054.html) | The insurance company must provide premium, loss and expense data. If losses or premiums are adjusted, the company must submit exhibits supporting the adjustments. This requirement applies to rates, loss cost multipliers, loss cost modification factors, changes to the classification plans, increased limit factors and territory revisions. |  |
|  |  |  |  |
| TRENDING |  |  |  |
|  |  |  |  |
| OTHER |  |  |  |