

40-3518. Contingency reserve requirement; withdrawals. Each mortgage guaranty insurance company shall establish a contingency reserve out of net premiums remaining (gross premiums less premiums returned to policyholders net of reinsurance) after establishment of the unearned premium reserve. The mortgage guaranty insurance company shall contribute to the contingency reserve an amount equal to fifty percent (50%) of such remaining earned premiums. Contributions to the contingency reserve made during each calendar year shall be maintained for a period of one hundred twenty (120) months, except that withdrawals may be made by the company in any year in which the actual incurred losses exceed thirty-five percent (35%) of the corresponding earned premiums, and no such releases shall be made without prior approval by the commissioner of the mortgage guaranty insurance company's state of domicile.

History: L. 1977, ch. 154, § 18; Jan. 1, 1978.