

Department of Consumer & Business Services  
**Oregon Division of Financial Regulation – 5**  
350 Winter St. NE, Rm. 440  
Salem, Oregon 97301-3883  
Phone (503) 947-7983

## STANDARDS FOR MORTGAGE GUARANTY FORM AND RATE FILINGS

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This checklist (product standards) has been provided as an aid to assist you in preparing your filing. It does not need to be included with a paper submission, nor does it need to be attached in SERFF under the Supporting Documentation tab. However, the reviewer may request the completed checklist (product standards) at any time during their review. ORS 731.296, OAR 836-010-0011 (2) & (3). This checklist includes relevant statutes, rules, bulletins, and other documented positions to enforce ORS 731.016. **The standards are summaries. Review of the entire statute or rule will be necessary.** After diligent consideration has been given to each item, mark the appropriate box, or provide the applicable page and paragraph. Compliance with these provisions must be certified by both the filer and an officer of the company signing the Certificate of Compliance form. These signatures certify the filing being submitted meets the requirements of our checklist and statutes. “Not applicable” can be used only if the item does not apply to the coverage being filed. If the reviewer requests the checklist (product standard), any line left blank may result in the delay or disapproval of the filing.

**Market:** Commercial

**TOI:** 06.0 Mortgage guaranty

GENERAL REQUIREMENTS (FOR ALL FILINGS)		
Review requirements	Reference	Description of review standards requirements
Requirements	OAR 836-010-0011 As required on SERFF or our Web site	Required filing requirements are located on SERFF or on our Web site at: <a href="http://dfr.oregon.gov/rates-forms/Pages/index.aspx">http://dfr.oregon.gov/rates-forms/Pages/index.aspx</a> . If a filing is submitted in SERFF, the applicable information must be attached correctly in order for the form filing to be considered complete.  Redlines of previously approved documents must be attached under the supporting documentation tab. Clean copies of the submitted form(s) must be attached under the Form Schedule tab. Each form within the file must be attached to a separate Schedule Item under the Forms Schedule tab. <b>The form number must appear exactly as shown on the PDF document.</b>

Review requirements	Reference	Description of review standards requirements	Check answer
Requirements, continued	OAR 836-010-0011 As required on SERFF or our Web site	<p>We prefer the revision date to be part of the form number. Do not add the edition date to both the Form Number column and the Edition Date column. The Form Type column and the Action Specific Data column must be completed correctly. When submitting revised documents provide the previous Oregon Filing Number and the form number, including the edition date of the previously approved form.</p> <p>Rates and rules must be submitted under the Rate and Rule tab. The Actuarial Memorandum must be submitted under the Supporting Documentation tab. Other filing requirements as listed below, or other documentation used to assist us in our review, should be submitted under the Supporting Documentation tab under the correct heading. If submitting a paper filing, please see #9 below.</p> <ul style="list-style-type: none"> <li>1. Transmittal form. (Only required when submitting a paper filing only.)</li> <li>2. A Filing Description under the General Information tab or a Cover letter or Filing Memorandum under the Supporting Documentation tab that explains the intent or purpose of the forms/rules/rates.</li> <li>3. Third-party filer's letter of authorization if applicable.</li> <li>4. Signed Certificate of Compliance, Form 440-3894.</li> <li>5. For form submissions, has a comparison document (annotated, highlighted, red-lined, or side-by-side) been provided for each previously approved form? Submit document/s under the Supporting Documentation tab.</li> <li>6. The rates and/or rules are attached to the Rate Schedule tab. An actuarial documentation that provides an overview of the contents of the filing, and the reasons and procedures used to support the rate change has been attached to the Supporting Documentation tab.</li> <li>7. Each form being filed for approval is attached to a separate Schedule Item under the Form Schedule tab.</li> <li>8. Attach to the Supporting Documentation tab, those approved amendatory endorsements which bring the forms into compliance with Oregon statutes.</li> <li>9. When submitting a paper filing, send two complete sets of the entire filing. Include a self-addressed, stamped envelope that is large enough to return the second copy of the filing.</li> </ul> <p>NOTE: This checklist does not need to be submitted with the filings. However, it may be requested by the reviewer. Please use this document as a tool to help you comply with our requirements.</p>	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p>

Review requirements	Reference	Description of review standards requirements	Check answer
Requirements, continued	ORS 742.003(1), ORS 737.205	Included in this filing for review: 1. New or revised policy. 2. Endorsements. 3. Application. 4. Rates and rules.	Yes <input type="checkbox"/> N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	ORS 742.003	No policy has been issued or will be issued upon the forms in this filing until approved.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	ORS 731.178	Coverage filed under these standards must meet the definition of mortgage insurance.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	ORS 731.394(3), ORS 742.286	To write mortgage insurance, the insurer must be authorized as a mortgage insurer, ORS 742.354. No other class of insurer may write mortgage insurance.	Yes <input type="checkbox"/> No <input type="checkbox"/>

<b>FORMS</b>			
Review requirements	Reference	Description of review standards requirements	Check answer or enter page & paragraph
Access to courts	ORS 742.061	Attorney fees - If a claim settlement is not made within six months and action is brought to court, should the plaintiff's recovery exceed the amount of payment made by the defendant, the court will set attorney fees to be paid as part of the costs of legal action and any appeal	
Arbitration	ORS 36.600 to ORS 36.740	Voluntary arbitration is permitted by the Oregon Constitution and statutes after all internal appeals have been exhausted and can be binding upon consent of the covered insured. ( <i>If the policy provides for arbitration when claim settlement cannot be reached, the enrollee may elect arbitration by mutual agreement at the time of the dispute. Arbitration takes place under the laws of Oregon or another agreed-upon procedure. Arbitration must be held in the insured's county and state.</i> )	
Legibility of forms	ORS 742.005(2)	The forms are clear and understandable in the presentation of premiums, labels, descriptions of contents, title, headings, backing, and other indication (including restrictions) in the provisions. The information is clear and understandable to the consumer and is not unintelligible, uncertain, ambiguous, abstruse, or likely to mislead.	Yes <input type="checkbox"/> No <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer or enter page & paragraph
Fraud	ORS 742.013, Bulletin INS 2010-3	<p>If the policy has fraud, concealment, misrepresentation language, then the application is required to include a fraud warning. If one is included, it is general in nature and does not state that the applicant is “guilty” of fraud, but that he or she “may be” guilty of fraud. Fraud or misstatement warnings that mention criminal or civil penalties must avoid definite statements of the criminal nature of an act, guilt, or possible penalties. A warning that specifies that knowingly providing false information “may be” a crime, which “may be” grounds for criminal or civil penalties is appropriate.</p> <p>Fraud or misstatement warnings that mention denial of recovery as a possible consequence of an omission, concealment, misstatement or misrepresentation must disclose that in order to deny a claim on this basis, the insurer must demonstrate that the misinformation was material to the content of the contract, that the insurer relied upon this information, and that the misinformation was either provided fraudulently or was material to the risk or hazard assumed by the insurer.</p> <p>Fraud or misstatement warnings that mention cancellation, voiding, or rescission of a policy as possible consequences of an omission, concealment, misstatement or misrepresentation must disclose the line-specific statutory limits to these remedies. Insurers should review Bulletin INS 2010-3 and the Insurance Code to determine whether their statements comply.</p>	
Misrepresentation /misstatements	ORS 742.013	A provision in the policy, or the application, makes it clear that statements made by the insured, in the absence of fraud, are representations and not warranties	
Exclusions	ORS 742.005(2)	The policy clearly identifies the exclusions and limitations on the coverage.	
Rebates	ORS 746.035, ORS 746.045	Inducements or rebates specified in the policy. If answer is other than “N/A,” details must be included in the rates and rules filing.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Limits	ORS 742.282(1)(a), OAR 836-054-0300(1)*	The policy does not provide insurance on an obligation, solely or in combination with liens existing at the time the insured loan is made, that exceeds 105 percent* of the fair-market value of the securing property at the time the loan is made, or such higher percentage as authorized by the director of the Department of Consumer and Business Services and permitted by the insurer's domicile, if the obligation insured is secured by a mortgage, deed of trust, or other instrument constituting a first lien or first charge.	

Review requirements	Reference	Description of review standards requirements	Check answer or enter page & paragraph
Limits, continued	ORS 742.282(1)(b), OAR 836-054-0300(2)*	The policy does not provide insurance on an obligation that exceeds 110 percent* of the fair-market value of the securing property at the time the loan is made or such higher percentage as may be authorized by the director of the Department of Consumer and Business Services and permitted by the insurer's domicile if the obligation insured is secured by a mortgage, deed of trust, or other instrument constituting a junior lien or junior charge. In determining the 110-percent limitation, the full amount of a line of credit to be secured by a junior lien shall be considered the amount of the loan.	
	ORS 742.282(4)	The policy does not require the mortgagor to pay, directly or indirectly, the cost of mortgage insurance on a loan secured by a junior lien when the indebtedness evidencing that loan, combined with all existing mortgage loan amounts at the time the loan is made, is less than 60 percent of the fair-market value of the real estate at the time the junior loan is made. No mortgagee or financial institution shall be required to obtain mortgage insurance or junior lien mortgage insurance by reason of this section.	
	ORS 742.282(5)	The policy does not provide lease insurance with respect to real property not improved by a building or buildings designed to be occupied for industrial or commercial purposes.	
Loss settlement	ORS 742.053	The policy states that proof of loss forms are available from an insurer upon request by an insured.	

RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS				
Review requirements	Reference	Description of review standards requirements	Check answer or enter page & paragraph	
Requirements	ORS 737.205	Copies of the rates, the rating plans, and the rating systems must be filed.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 737.205(1)	The effective date is not earlier than the date the filing is received by the Division of Financial Regulation.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Discrimination	ORS 746.015, OAR 836-081-0010	The rates, rating plans, and rating systems do not discriminate unfairly in the availability of insurance and application of rates.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Rebates	ORS 746.035, ORS 746.045	Are inducements or rebates specified in the policy? (If "yes," explain in the cover letter and identify the location in the rule.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Ratemaking generally				
Credibility	ORS 737.310	1. Provide all data used and judgments made. 2. Provide description of methodology used.		
Fees, service charges, taxes	ORS 737.310	Provide cost-accounting justification on initial filings and subsequent changes.		
Loss valuation	ORS 737.310	Provide complete premium data.		
		Provide loss and LAE data.		
		Provide information on the expected loss ratio.		
Investment income	ORS 737.310	1. Cash flow method <i>or</i> 2. Alternative method showing amount of investment income earned on loss, LAE, and unearned premium reserve to earned premium.		
Underwriting profit & contingencies	ORS 737.310	1. Oregon data for commission and brokerage.		
		2. Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .		
		3. Oregon data for taxes, licenses, and fees.		
		4. Historic experience		