

# 1994 SESSION

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## SENATE JOINT RESOLUTION NO. 177

Offered January 25, 1994

*Requesting the State Corporation Commission's Bureau of Insurance to study certain aspects of private mortgage guaranty insurance coverage.*

Patron—Norment

Referred to the Committee on Rules

WHEREAS, private mortgage guaranty insurance coverage is required by lenders of home buyers who make a down payment of less than 20 percent of the sales price of a home; and

WHEREAS, mortgage guaranty insurance protects the lender against default on the mortgage and the insurer is selected by the lender while the borrower pays the premium; and

WHEREAS, the benefits paid in relation to the premiums charges are less than 50 percent and the mortgage insurance closely resembles credit life insurance; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Bureau of Insurance within the State Corporation Commission be requested to study whether competition effectively regulates premiums charged by private mortgage guaranty insurers and whether minimum loss ratio standards should be imposed on companies writing private mortgage insurance in the Commonwealth.

The Bureau of Insurance shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing legislative documents.

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