

**40-3519. Reinsurance; establishment and maintenance of reserves in appropriate proportions by insurance company and reinsurer.** Whenever a mortgage guaranty insurance company obtains reinsurance from an insurance company which is properly licensed to provide reinsurance or from an appropriate governmental agency, the mortgage guaranty insurer and the reinsurer shall establish and maintain the reserves required in this act in appropriate proportions in relation to the risk retained by the original insurer and ceded to the assuming reinsurer so that the total reserves established shall not be less than the reserves required by this act.

**History:** L. 1977, ch. 154, § 19; Jan. 1, 1978.