

40-3513. Payments or rebates as inducements or compensation for or in connection with placement of insurance prohibited; penalties for violations. (a) A mortgage guaranty insurance company shall not pay or cause to be paid either directly or indirectly, to any owner, purchaser, lessor, lessee, mortgagee or prospective mortgagee of the real property which secures the authorized real estate security or which is the fee of an insured lease, or any interest therein, or any person who is acting as an agent, representative, attorney or employee of such owner, purchaser or mortgagee, any commission, or any part of its premium charges or any other consideration as an inducement for or as compensation on any mortgage guaranty insurance business.

(b) In connection with the placement of any mortgage guaranty insurance, a mortgage guaranty insurance company shall not cause or permit any commission, fee, remuneration, or other compensation to be paid to, or received by any insured lender or lessor; any subsidiary or affiliate of any insured; any officer, director or employee of any insured or any member of their immediate family; any corporation, partnership, trust, trade association in which any insured is a member, or other entity in which any insured or any such officer, director, or employee or any member of their immediate family has a financial interest; or any designee, trustee, nominee, or other agent or representative of any of the foregoing.

(c) Any mortgage guaranty insurance company which pays any commission or makes any unlawful rebate in violation of the provisions of this article shall be subject to the penalties prescribed in K.S.A. 40-2407 and 40-2411.

History: L. 1977, ch. 154, § 13; Jan. 1, 1978.