

Article - Insurance

[Previous][Next]

§3-212.

(a) The attorney in fact of a reciprocal insurer may be an individual, firm, or corporation.

(b) The attorney in fact of a foreign or alien reciprocal insurer that is authorized to engage in the insurance business in the State is not considered to be doing business in the State within the meaning of any law of the State that applies to foreign firms or corporations merely because the attorney in fact performs its duties as attorney in fact with respect to the reciprocal insurer's transactions in the State.

(c) The attorney in fact of a reciprocal insurer has the rights and powers provided in the power of attorney given the attorney in fact by the subscribers.

(d) The terms of a power of attorney or agreement collateral to the power of attorney must be reasonable and equitable.

(e) The power of attorney must state:

(1) the powers of the attorney in fact;

(2) that the attorney in fact is authorized to accept service of process on behalf of the reciprocal insurer in an action against the reciprocal insurer on contracts exchanged;

(3) the general services to be performed by the attorney in fact;

(4) the maximum amount to be deducted from advance premiums or deposits to be paid to the attorney in fact and the general items of expense in addition to losses, to be paid by the reciprocal insurer; and

(5) except as to nonassessable policies, a provision for a contingent several liability of each subscriber in the amount specified in § 3-216 of this subtitle.

(f) The power of attorney may:

(1) provide for the right of substitution of the attorney in fact and revocation of the power of attorney;

(2) restrict the exercise of the power of attorney as agreed by the subscribers;

(3) provide for the exercise of any right reserved to the subscribers directly or through their advisory committee; and

(4) contain any other lawful provisions considered advisable.

(g) For a domestic reciprocal insurer, a power of attorney or agreement collateral to the power of attorney is not effective and may not be used until approved by the Commissioner.

[Previous][Next]