

Article - Insurance

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§8-209.

(a) A managing general agent may not:

(1) commit the insurer to participate in insurance or reinsurance syndicates;

(2) appoint or hire an insurance producer to solicit, procure, or negotiate insurance contracts for the insurer without ensuring that the insurance producer is licensed under Title 10, Subtitle 1 of this article;

(3) take an action that would violate § 27-503 of this article if taken directly by the insurer;

(4) without the insurer's written approval, pay or commit the insurer to pay a claim, net of reinsurance, that exceeds 1% of the insurer's policyholder surplus as of December 31 of the immediately preceding calendar year;

(5) without the insurer's prior written approval, collect any payment from a reinsurer;

(6) commit the insurer to a claim settlement with a reinsurer;

(7) employ an individual who also is employed by the insurer;

(8) allow an agent or employee of the managing general agent to serve on the insurer's board of directors; or

(9) appoint a submanaging general agent unless:

(i) approval of the appointment is obtained from the Commissioner and from the insurer for whom the managing general agent acts; and

(ii) the submanaging general agent complies with any requirements imposed by the Commissioner under § 8-213 of this subtitle.

(b) (1) Except as provided in paragraph (2) of this subsection, a managing general agent may not bind reinsurance or retrocessions for an insurer.

(2) A managing general agent may bind facultative reinsurance contracts under obligatory facultative agreements if the contract with the insurer contains reinsurance underwriting guidelines for reinsurance both assumed and ceded, including:

(i) a list of reinsurers with which the automatic agreements are in

effect;

and (ii) the coverages and amounts or percentages that may be reinsured;

(iii) commission schedules.

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