

Article - Insurance

[Previous][Next]

§8-518.

(a) A reinsurance manager:

(1) except as provided in subsection (b) of this section, may not cede retrocessions for a reinsurer;

(2) may not commit a reinsurer to participate in reinsurance syndicates;

(3) may not appoint or hire an insurance producer to solicit, procure, or negotiate reinsurance contracts for a reinsurer without ensuring that the insurance producer is qualified under Title 10, Subtitle 1 of this article;

(4) may not take an action that would constitute a violation of § 27-503 of this article if taken directly by a reinsurer;

(5) without the reinsurer's prior written approval, may not pay or commit a reinsurer to pay a claim, net of reinsurance, that exceeds the lesser of 1% of the reinsurer's policyholder surplus as of the preceding calendar year and an amount specified by the reinsurer;

(6) subject to subsection (b) of this section and without the reinsurer's prior written approval:

(i) may not collect a payment from a retrocessionaire; or

(ii) may not commit a reinsurer to a claim settlement with a retrocessionaire;

(7) may not appoint a subreinsurance manager; or

(8) may not employ an individual who is also employed by a reinsurer that transacts business with the reinsurance manager, unless the reinsurance manager is under common control with the reinsurer and is subject to Title 7 of this article.

(b) A reinsurance manager may cede facultative reinsurance contracts under obligatory facultative agreements if the contract between the reinsurance manager and reinsurer contains reinsurance underwriting guidelines for the retrocessions, including:

(1) a list of reinsurers with which any automatic agreements are in effect;

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

(3) commission schedules.

[Previous][Next]