

(A) A REINSURER MAY NOT ENGAGE THE SERVICES OF ANY PERSON TO ACT AS A REINSURANCE MANAGER ON ITS BEHALF, UNLESS THE PERSON HAS COMPLIED WITH THE PROVISIONS OF THIS SUBTITLE.

(B) THE REINSURER SHALL OBTAIN ANNUALLY A COPY OF STATEMENTS BY AN INDEPENDENT CERTIFIED ACCOUNTANT IN A FORM ACCEPTABLE TO THE COMMISSIONER OF THE FINANCIAL CONDITION OF EACH REINSURANCE MANAGER WITH WHICH IT HAS DONE BUSINESS.

(C) A REINSURER THAT, PURSUANT TO CONTRACT, PERMITS A REINSURANCE MANAGER TO MAINTAIN LOSS RESERVES, SHALL OBTAIN ANNUALLY THE OPINION OF AN INDEPENDENT ACTUARY ATTESTING TO THE ADEQUACY OF THE LOSS RESERVES ESTABLISHED FOR LOSSES INCURRED AND OUTSTANDING ON BUSINESS PRODUCED BY THE REINSURANCE MANAGER.

(D) THE AUTHORIZED INSURER SHALL CONDUCT AT LEAST SEMIANNUALLY AN ON-SITE REVIEW OF THE UNDERWRITING AND CLAIMS PROCESSING OPERATIONS OF THE REINSURANCE MANAGER.

(E) THE REINSURER SHALL NOTIFY THE COMMISSIONER, IN WRITING, WITHIN 30 DAYS OF TERMINATING A CONTRACT WITH A REINSURANCE MANAGER.

(F) UNLESS THE RELATIONSHIP BETWEEN THE REINSURER AND THE REINSURANCE MANAGER IS CONTROLLED BY AND DISCLOSED PURSUANT TO §§ 495 AND 496 OR § 633(B) OF THIS ARTICLE, A REINSURER MAY NOT HAVE ON ITS BOARD OF DIRECTORS AN OFFICER, DIRECTOR, EMPLOYEE, AGENT, OR CONTROLLING SHAREHOLDER OF ITS REINSURANCE MANAGER.

(G) THE BINDING AUTHORITY FOR ALL RETROCESSIONAL CONTRACTS OR PARTICIPATION IN REINSURANCE SYNDICATES SHALL REST WITH AN OFFICER OF THE REINSURER WHO MAY NOT BE AFFILIATED WITH THE REINSURANCE MANAGER.

(H) (1) SUBJECT TO THE HEARING PROVISIONS OF SUBTITLE 2 OF THIS ARTICLE, A REINSURER WHO VIOLATES THE PROVISIONS OF THIS SUBTITLE MAY BE:

(I) REFUSED APPROVAL AS AN ACCEPTED REINSURER; OR

(II) DISAPPROVED AS AN ACCEPTED REINSURER UNDER § 74 OF THIS ARTICLE.

(2) IN ADDITION TO REMOVAL AS AN ACCEPTED REINSURER UNDER § 74 OF THIS ARTICLE, THE REINSURER MAY BE SUBJECT TO IMPOSITION OF A CIVIL PENALTY NOT TO EXCEED \$5,000 FOR EACH VIOLATION OF THIS SUBTITLE.

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THE ACTS OF A REINSURANCE MANAGER SHALL BE CONSIDERED TO BE THE ACTS OF THE REINSURER ON WHOSE BEHALF IT IS ACTING.

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