

A REINSURANCE INTERMEDIARY MAY BE EXAMINED PURSUANT TO §§ 30 THROUGH 34 OF THIS ARTICLE.

715.

(A) IN GENERAL A REINSURANCE MANAGER MAY NOT:

(1) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, CEDE RETROCESSIONS ON BEHALF OF THE REINSURER;

(2) COMMIT THE REINSURER TO PARTICIPATE IN REINSURANCE SYNDICATES;

(3) APPOINT OR HIRE ANY AGENT TO SOLICIT, PROCURE, OR NEGOTIATE REINSURANCE CONTRACTS ON BEHALF OF A REINSURER WITHOUT ASSURING THAT THE AGENT IS QUALIFIED UNDER § 167 OF THIS ARTICLE;

(4) TAKE ANY ACTION THAT WOULD CONSTITUTE A VIOLATION OF § 234B OF THIS ARTICLE IF TAKEN DIRECTLY BY THE INSURER;

(5) WITHOUT THE REINSURER'S WRITTEN APPROVAL, PAY OR COMMIT THE REINSURER TO PAY A CLAIM, NET OF REINSURANCE, WHICH 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) COLLECT ANY PAYMENT FROM A RETROCESSIONAIRE; OR

(II) COMMIT THE REINSURER TO ANY CLAIM SETTLEMENT WITH A RETROCESSIONAIRE;

(7) APPOINT A SUBREINSURANCE MANAGER; OR

(8) EMPLOY AN INDIVIDUAL WHO IS ALSO EMPLOYED BY THE REINSURER UNLESS THE REINSURANCE MANAGER IS UNDER COMMON CONTROL WITH THE REINSURER SUBJECT TO SUBTITLE 32 OF THIS ARTICLE.

(B) A REINSURANCE MANAGER MAY CEDE FACULTATIVE REINSURANCE CONTRACTS PURSUANT TO OBLIGATORY FACULTATIVE AGREEMENTS IF THE CONTRACT WITH THE 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) THE COMMISSION SCHEDULES.

716.