

(11) Require that when conducting business or entering into contracts on behalf of, or for the benefit of an insurer, the managing general agent shall comply with all applicable insurance laws and regulations; AND

(12) WHERE ELECTRONIC CLAIMS FILES ARE IN EXISTENCE, ADDRESS THE TIMELY TRANSMISSION OF THE DATA.

(C) (1) THIS SUBSECTION APPLIES IN ANY CASE WHERE:

(I) THE CONTRACT PROVIDES FOR A SHARING OF PROFITS BY THE MANAGING GENERAL AGENT; AND

(II) THE MANAGING GENERAL AGENT HAS THE AUTHORITY TO DETERMINE THE AMOUNT OF THE INTERIM PROFITS BY:

1. ESTABLISHING LOSS RESERVES;
2. CONTROLLING CLAIMS PAYMENTS; OR
3. ANY OTHER METHOD.

(2) INTERIM PROFITS MAY NOT BE PAID TO A MANAGING GENERAL AGENT SUBJECT TO THIS SUBSECTION UNTIL:

(I) 1. FOR PROPERTY INSURANCE BUSINESS, AT LEAST 1 YEAR AFTER THEY ARE EARNED; OR

2. FOR CASUALTY BUSINESS, AT LEAST 5 YEARS AFTER THEY ARE EARNED; AND

(II) THE PROFITS HAVE BEEN VERIFIED BY THE INSURER UNDER § 670 OF THIS SUBTITLE.

[(c)](D) In all cases in which the contract permits the managing general agent to settle claims on behalf of the insurer:

(1) All claims shall be reported to the insurer in a timely manner;

(2) The managing general agent shall provide the insurer with a copy of any claim file that:

- (i) Is requested by the insurer;
- (ii) Involves a coverage dispute;
- (iii) Has the potential of exceeding the managing general agent's settlement authority;
- (iv) Remains open for more than 6 months from the date the claim is received by the managing general agent; or
- (v) Is settled in an amount in excess of \$500;