

(3) (i) Any settlement authority granted to the managing general agent may be terminated for cause upon the insurer's providing the managing general agent with 30 days notice of such termination; and

(ii) The insurer may suspend the settlement authority during the pendency of a dispute regarding the cause for termination; and

(4) (i) Except as provided in subparagraph (ii) of this paragraph, all claims files are property of the insurer.

(ii) If the Commissioner obtains an order of liquidation, rehabilitation, reorganization, or conservation against an insurer, the files shall become the sole property of the person appointed liquidator, rehabilitator, conservator, or receiver.

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(a) (1) An insurer shall maintain independent financial examinations, in a form acceptable to the Commissioner, of each managing general agent with which it has done business.

(2) The insurer shall maintain records for a period of not less than 5 years.

(b) (1) An insurer that, pursuant to contract, permits a managing general agent to maintain loss reserves, shall annually obtain the opinion of an independent actuary attesting to the adequacy of the loss reserves established.

(2) The insurer shall retain the report for a period of not less than 5 years.

(c) The insurer shall at least [semi-annually] SEMIANNUALLY, conduct an on-site review of the underwriting and claims processing operations of the managing general agent.

(d) (1) The insurer shall notify the Commissioner, in writing, within 30 days of entering into or terminating a contract with a managing general agent.

(2) All notices that a contract has been entered into shall include:

(i) A statement of the duties and responsibilities of the managing general agent;

(ii) The lines of insurance which the managing general agent is contractually authorized to negotiate, procure, or bind on the insurer's behalf;

(iii) A copy of the contract; and

(iv) Any other information or documentation the Commissioner may request.

(e) Unless the relationship between insurer and managing general agent is controlled by and disclosed pursuant to §§ 495 and 496 of this article, an insurer may not have on its board of directors an officer, director, employee, agent, or shareholder of its managing general agent.