

BY REGULATION, THE COMMISSIONER MAY REQUIRE A MANAGING GENERAL AGENT TO MAINTAIN A BOND OR OTHER SECURITY IN AN AMOUNT SET BY THE COMMISSIONER TO PROTECT THE INSURER AND POLICYHOLDERS OR TO MAINTAIN AN ERRORS AND OMISSIONS POLICY ISSUED BY AN AUTHORIZED INSURER, OR BOTH.

(B) EXAMINATION.

A MANAGING GENERAL AGENT IS SUBJECT TO EXAMINATION UNDER §§ 2-205 THROUGH 2-209 OF THIS ARTICLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 666(b) and 671(b).

Defined terms: "Authorized insurer" § 1-101

"Commissioner" § 1-101

"Insurer" § 1-101

"Managing general agent" § 8-201

8-208. CONTRACT BETWEEN MANAGING GENERAL AGENT AND INSURER.

(A) REQUIRED FOR PLACEMENT OF BUSINESS OR MAINTENANCE OF LOSS RESERVES.

A MANAGING GENERAL AGENT MAY NOT PLACE BUSINESS WITH AN INSURER OR MAINTAIN LOSS RESERVES FROM WHICH CLAIMS AGAINST AN INSURER MAY BE PAID UNLESS A WRITTEN CONTRACT IS IN FORCE BETWEEN THE MANAGING GENERAL AGENT AND INSURER.

(B) CONTENTS.

AT A MINIMUM, THE CONTRACT SHALL:

(1) STATE THE RESPONSIBILITIES OF EACH PARTY AND SPECIFY THE DIVISION OF RESPONSIBILITIES FOR SHARED FUNCTIONS;

(2) PROVIDE THAT THE INSURER MAY:

(I) TERMINATE THE CONTRACT FOR CAUSE ON WRITTEN NOTICE TO THE MANAGING GENERAL AGENT; AND

(II) SUSPEND THE MANAGING GENERAL AGENT'S UNDERWRITING AUTHORITY DURING A DISPUTE ABOUT THE TERMINATION;

(3) REQUIRE THE MANAGING GENERAL AGENT TO:

(I) GIVE ACCOUNTS TO THE INSURER DETAILING ALL TRANSACTIONS; AND

(II) REMIT TO THE INSURER AT LEAST MONTHLY ALL MONEY DUE UNDER THE CONTRACT;

(4) REQUIRE THAT: