

(1) THIS SUBSECTION APPLIES IF:

(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 INTERIM PROFITS BY ESTABLISHING LOSS RESERVES, CONTROLLING CLAIMS PAYMENTS, OR ANY OTHER METHOD.

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

(I) UNTIL:

1. AT LEAST 1 YEAR AFTER THE PROFITS ARE EARNED, FOR PROPERTY INSURANCE BUSINESS; OR

2. AT LEAST 5 YEARS AFTER THE PROFITS ARE EARNED, FOR CASUALTY INSURANCE BUSINESS; AND

(II) UNTIL THE PROFITS HAVE BEEN VERIFIED BY THE INSURER UNDER § 8-210 OF THIS SUBTITLE.

(D) SETTLEMENT OF CLAIMS.

IF THE CONTRACT ALLOWS THE MANAGING GENERAL AGENT TO SETTLE CLAIMS FOR THE INSURER:

(1) THE MANAGING GENERAL AGENT SHALL REPORT ALL CLAIMS TO THE INSURER IN A TIMELY MANNER;

(2) THE MANAGING GENERAL AGENT SHALL GIVE TO THE INSURER A COPY OF ANY CLAIM FILE THAT:

(I) IS REQUESTED BY THE INSURER;

(II) INVOLVES A COVERAGE DISPUTE;

(III) POTENTIALLY EXCEEDS THE MANAGING GENERAL AGENT'S SETTLEMENT AUTHORITY;

(IV) REMAINS OPEN FOR MORE THAN 6 MONTHS AFTER THE DATE THE MANAGING GENERAL AGENT RECEIVES THE CLAIM; OR

(V) IS SETTLED IN AN AMOUNT OF MORE THAN \$500;

(3) THE INSURER MAY:

(I) TERMINATE FOR CAUSE ANY SETTLEMENT AUTHORITY GRANTED TO THE MANAGING GENERAL AGENT IF THE INSURER GIVES THE MANAGING GENERAL AGENT 30 DAYS' NOTICE OF THE TERMINATION; AND

(II) SUSPEND THE SETTLEMENT AUTHORITY DURING A DISPUTE ABOUT THE CAUSE FOR TERMINATION; AND