

(3) THE PROHIBITIONS CONTAINED IN THIS SUBSECTION ~~(B)~~ DO NOT APPLY TO A REINSURANCE INTERMEDIARY WHICH MAKES A FULL AND COMPLETE WRITTEN DISCLOSURE TO THE PARTIES OF ITS RELATIONSHIP WITH THE ASSUMING OR CEDING INSURER PRIOR TO COMPLETION OF THE TRANSACTION.

673.

(A) (1) IF THE COMMISSIONER HAS REASON TO BELIEVE THAT A CONTROLLING BROKER HAS COMMITTED OR IS COMMITTING AN ACT IN VIOLATION OF THIS SUBTITLE, ~~HE~~ THE COMMISSIONER SHALL SERVE UPON THE CONTROLLING BROKER A STATEMENT OF THE CHARGES AND NOTICE OF A HEARING TO BE CONDUCTED PURSUANT TO §§ 35 THROUGH 39 OF THIS ARTICLE.

(2) AN ORDER OF THE COMMISSIONER SHALL BE SUBJECT TO JUDICIAL REVIEW PURSUANT TO § 40 OF THIS ARTICLE.

(3) THE CONTROLLING BROKER SHALL REIMBURSE THE PROPERTY AND CASUALTY INSURANCE GUARANTY CORPORATION FOR ANY PAYMENTS MADE BY THE PROPERTY CASUALTY INSURANCE GUARANTY CORPORATION FOR LOSSES, LOSS ADJUSTMENT, AND ADMINISTRATIVE EXPENSES ON THE BUSINESS PLACED BY THE BROKER IN EXCESS OF GROSS EARNED PREMIUMS AND INVESTMENT INCOME EARNED ON PREMIUMS AND LOSS RESERVES FOR SUCH BUSINESS IF THE COMMISSIONER FINDS THAT:

(I) THE CONTROLLING BROKER COMMITTED A VIOLATION OF THIS SUBTITLE; AND

(II) THE VIOLATION SUBSTANTIALLY CONTRIBUTED TO THE INSOLVENCY OF THE CONTROLLED INSURER.

(4) NOTHING CONTAINED IN THIS SECTION SHALL AFFECT THE RIGHT OF THE COMMISSIONER TO IMPOSE ANY OTHER PENALTIES PROVIDED FOR IN THIS ARTICLE.

(B) NOTHING CONTAINED IN THIS SUBTITLE IS INTENDED TO OR SHALL IN ANY MANNER ALTER OR AFFECT THE RIGHTS OF POLICYHOLDERS, CLAIMANTS, OR CREDITORS OF THE CONTROLLED INSURER, OR OTHER THIRD PARTIES.

(C) NOTHING CONTAINED IN THIS SUBTITLE IS INTENDED TO OR SHALL IN ANY MANNER ALTER OR AFFECT THE RESPONSIBILITY OF ANY INDIVIDUAL TO COMPLY WITH OTHERWISE APPLICABLE PROVISIONS OF SUBTITLE 32 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1991.