

(I) THE COMMISSIONER HAS APPROVED THE APPOINTMENT OF THE SUBMANAGING GENERAL AGENT;

(II) THE INSURER FOR WHOM THE MANAGING GENERAL AGENT ACTS HAS APPROVED THE APPOINTMENT OF THE SUBMANAGING GENERAL AGENT; AND

(III) THE SUBMANAGING GENERAL AGENT HAS COMPLIED WITH ANY REQUIREMENTS IMPOSED BY THE COMMISSIONER UNDER § 680 OF THIS SUBTITLE ;

(8) EMPLOY AN INDIVIDUAL WHO IS ALSO EMPLOYED BY AN INSURER; OR

(9) PERMIT AN AGENT OR EMPLOYEE OF THE MANAGING GENERAL AGENT TO SERVE ON AN INSURER'S BOARDS OF DIRECTORS.

(B) A MANAGING GENERAL AGENT MAY BIND FACULTATIVE REINSURANCE CONTRACTS PURSUANT TO OBLIGATORY FACULTATIVE AGREEMENTS IF THE CONTRACT WITH THE INSURER CONTAINS REINSURANCE UNDERWRITING GUIDELINES, FOR BOTH REINSURANCE ASSUMED AND CEDED, INCLUDING:

(1) A LIST OF REINSURERS WITH WHICH SUCH AUTOMATIC AGREEMENTS ARE IN EFFECT;

(2) THE COVERAGES AND AMOUNTS OR PERCENTAGES THAT MAY BE REINSURED; AND

(3) COMMISSION SCHEDULES.

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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 3 ~~5~~ 3 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 3 ~~5~~ 3 YEARS.

(C) THE INSURER SHALL AT LEAST SEMI-ANNUALLY, CONDUCT AN ON-SITE REVIEW OF THE UNDERWRITING AND CLAIMS PROCESSING OPERATIONS OF THE MANAGING GENERAL AGENT.