

§744. Required contract provisions; reinsurance intermediary-broker

Transactions between a reinsurance intermediary-broker and the insurer it represents in such a capacity may be entered into only pursuant to a written authorization specifying the responsibilities of each party. The authorization must, at a minimum, provide that: [PL 1991, c. 828, §20 (NEW).]

1. Termination. The insurer may terminate the reinsurance intermediary-broker's authority at any time upon 5 days' written notice to the reinsurance intermediary-broker; [PL 1991, c. 828, §20 (NEW).]

2. Accounting. The reinsurance intermediary-broker shall render timely accounts to the insurer accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees received by or owed, to the reinsurance intermediary-broker and remit all funds due to the insurer within 30 days of receipt; [PL 1991, c. 828, §20 (NEW).]

3. Bank as fiduciary. All funds collected for the insurer's account must be held by the reinsurance intermediary-broker in a fiduciary capacity in a bank that is a qualified United States financial institution; [PL 1991, c. 828, §20 (NEW).]

4. Compliance with law. The reinsurance intermediary-broker shall comply with section 745; [PL 1991, c. 828, §20 (NEW).]

5. Compliance with standards. The reinsurance intermediary-broker shall comply with the written standards established by the insurer for the cession or retrocession of all risks; and [PL 1991, c. 828, §20 (NEW).]

6. Disclosure. The reinsurance intermediary-broker shall disclose to the insurer any relationship with any reinsurer or insurer to which business will be ceded or retroceded. [PL 1991, c. 828, §20 (NEW).]

SECTION HISTORY

PL 1991, c. 828, §20 (NEW).

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