

**§749. Prohibited acts**

The reinsurance intermediary-manager may not: [PL 1991, c. 828, §20 (NEW).]

**1. Retrocession.** Retrocede business on behalf of the reinsurer; except that, the reinsurance intermediary-manager may facultatively retrocede business pursuant to obligatory facultative agreements if the contract with the reinsurer contains reinsurance underwriting guidelines for any such retrocession. The guidelines must include a list of reinsurers with which automatic agreements are in effect, commission schedules and for each reinsurer, the coverages and amounts or percentages that may be reinsured;

[PL 1991, c. 828, §20 (NEW).]

**2. Use of syndicates.** Commit the reinsurer to participate in reinsurance syndicates;

[PL 1991, c. 828, §20 (NEW).]

**3. Use of other licensees.** Make use of any agent or broker without ensuring that the agent or broker is lawfully licensed to transact the kind of reinsurance for which the agent or broker is being used;

[PL 1991, c. 828, §20 (NEW).]

**4. Claim payment.** Without prior approval of the reinsurer, pay or commit the reinsurer to pay a claim, net of retrocessions, that exceeds the lesser of an amount specified by the reinsurer or one percent of the reinsurer's policyholder surplus as of December 31st of the next preceding calendar year;

[PL 1991, c. 828, §20 (NEW).]

**5. Claim recovery.** Collect any payment from a retrocessionaire or commit the reinsurer to any claim settlement with a retrocessionaire, without prior approval of the reinsurer. If prior approval is given, a report must be promptly forwarded to the reinsurer;

[PL 1991, c. 828, §20 (NEW).]

**6. Joint employment.** Jointly employ an individual who is employed by the reinsurer unless the reinsurance intermediary-manager is under common control with the reinsurer subject to section 222; or

[PL 1991, c. 828, §20 (NEW).]

**7. Subcontract.** Assign duties under a contract to a subcontracting manager.

[PL 1991, c. 828, §20 (NEW).]

**SECTION HISTORY**

PL 1991, c. 828, §20 (NEW).

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