60A.74 DUTIES OF REINSURER UTILIZING THE SERVICES OF A REINSURANCE INTERMEDIARY-MANAGER.

Subdivision 1. **Licensed persons to be used.** A reinsurer shall not engage the services of any person, firm, association, or corporation to act as an RM on its behalf unless the person is licensed as required by section 60A.71, subdivision 2.

Subd. 2. **Annual financial statements to be obtained.** The reinsurer shall annually obtain a copy of statements of the financial condition of each RM which the reinsurer has engaged prepared by an independent certified accountant in a form acceptable to the commissioner.

Subd. 3. **Loss reserve opinions.** If an RM establishes loss reserves, the reinsurer shall annually obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the RM. This opinion must be in addition to any other required loss reserve certification.

Subd. 4. **Binding authority.** Binding authority for all retrocessional contracts or participation in reinsurance syndicates shall rest with an officer of the reinsurer who shall not be affiliated with the RM.

Subd. 5. **Notification of termination.** Within 30 days of termination of a contract with an RM, the reinsurer shall provide written notification of the termination to the commissioner.

Subd. 6. **Restriction on board appointments.** A reinsurer shall not appoint to its board of directors, any officer, director, employee, controlling shareholder, or subproducer of its RM. This subdivision does not apply to relationships governed by chapter 60D or, if applicable, the Business Transacted With Producer Controlled Insurer Act, sections 60J.06 to 60J.11.

History: *1991 c 325 art 11 s 9; 1993 c 13 art 1 s 16; 2000 c 260 s 12*