

WEST VIRGINIA CODE: §33-38-8

§33-38-8. Prohibited acts.

The reinsurance intermediary-manager may not:

- (a) Cede retrocessions on behalf of the reinsurer, except that the reinsurance intermediary-manager may cede facultative retrocessions pursuant to obligatory facultative agreements if the contract with the reinsurer contains reinsurance underwriting guidelines for the retrocessions. The guidelines shall include a list of reinsurers with which the automatic agreements are in effect, and for each reinsurer, the coverages and amounts or percentages that may be reinsured, and commission schedules.
- (b) Commit the reinsurer to participate in reinsurance syndicates.
- (c) Appoint any producer without assuring that the producer is lawfully licensed to transact the type of reinsurance for which he is appointed.
- (d) 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's surplus as of December 31, next preceding.
- (e) 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.
- (f) Jointly employ an individual who is employed by the reinsurer unless such reinsurance intermediary-manager is under common control with the reinsurer subject to article twenty-seven of this chapter.
- (g) Appoint a subreinsurance intermediary-manager.