

304.9-735 Reinsurers required to engage services of only licensed reinsurance managers.

- (1) A reinsurer shall not engage the services of any person, firm, association, or corporation to act as a reinsurance intermediary manager on its behalf unless the person is licensed as required by KRS 304.9-705(2).
- (2) The reinsurer shall annually obtain a copy of statements of the financial condition of each reinsurance intermediary manager which the reinsurer has engaged prepared by an independent certified accountant in a form acceptable to the commissioner.
- (3) If a reinsurance intermediary manager 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 reinsurance intermediary manager. This opinion shall be in addition to any other required loss reserve certification.
- (4) 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 reinsurance intermediary manager.
- (5) Within thirty (30) days of termination of a contract with a reinsurance intermediary manager, the reinsurer shall provide written notification of such termination to the commissioner.
- (6) A reinsurer shall not appoint to its board of directors any officer, director, employee, controlling shareholder, or subproducer of its reinsurance intermediary manager. This subsection shall not apply to relationships governed by Subtitle 37 of this chapter or, if applicable, any provisions of Subtitle 3 of this chapter on producer controlled insurers.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1087, effective July 15, 2010. -- Created 1992 Ky. Acts ch. 155, sec. 8, effective July 14, 1992.