



Ohio Revised Code

Section 3905.74 Independent financial examination of each managing general agent.

Effective: August 8, 1991

Legislation: Senate Bill 137 - 119th General Assembly

- (A) The insurer shall have on file, in a form acceptable to the superintendent of insurance, an independent financial examination of each managing general agent with which it has done business.
- (B) If a managing general agent establishes loss reserves, the insurer annually shall obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the managing general agent. This annual opinion is in addition to any other required loss reserve certification.
- (C) The insurer shall conduct not less frequently than twice a year an on-site review of the underwriting and claims processing operations of the managing general agent.
- (D) Binding authority for all reinsurance contracts or participation in insurance or reinsurance syndicates shall be vested in an officer of the insurer who is not affiliated with the managing general agent.
- (E) Within thirty days of entering into or terminating a contract with a managing general agent, the insurer shall provide written notification of the appointment or termination to the superintendent. Notices of appointment of a managing general agent shall include a statement of duties which the applicant is expected to perform on behalf of the insurer, the lines of insurance the applicant will manage, and any other information the superintendent may request.
- (F) An insurer shall review its books and records each quarter to determine if any producer has become a managing general agent. If the insurer determines that a producer has become a managing general agent, the insurer, within sixty days, shall provide written notice of the determination to the producer and the superintendent. The insurer and producer shall comply with sections 3905.72 to 3905.75 of the Revised Code within thirty days of receipt of the notice.



AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #263005

(G) No insurer shall appoint to its board of directors its managing general agent or an officer, director, employee, producer, or controlling shareholder of its managing general agent.