

Title 210 – NEBRASKA DEPARTMENT OF INSURANCE

Chapter 59 - RULE IMPLEMENTING MANAGING GENERAL AGENTS ACT

001. Authority. This Rule is promulgated pursuant to the authority granted in Neb.Rev.Stat. §44-4909.

002. Purpose. This Rule is promulgated to implement and administer provisions of the Managing General Agents Act.

003. Definitions. The definitions in Neb.Rev.Stat. §44-4902 apply in the construction of this Rule.

004. Bond. Coverage is to be written by an insurer that is different from and otherwise not affiliated with the insurer contracting with the managing general agent. All bonds are to be executed on a form approved by the Department and executed by an insurer licensed in Nebraska or operating under the Nebraska Surplus Lines Act with coverage placed through a surplus lines licensee, with a copy of the executed bond kept on file for review by any applicable state insurance director, superintendent, or commissioner.

005. Records Retention.

005.01 The insurer is to retain any contract entered into between a managing general agent and an insurer.

005.02 All books, bank accounts and records pertaining to business written by the managing general agent are to be retained at the managing general agent's place of business, with all such items made available to inspection of the director or the director's representatives during business hours. Records are to be maintained for 25 years following the completion of a liability insurance transaction, seven years following completion of a property insurance transaction, or until any statute of limitations period applicable to potential claims arising thereunder has expired, whichever is later.

005.03 Upon termination of the contract between an insurer and a managing general agent for any reason, all records maintained during the contract period are to be delivered by the managing general agent to the insurer within 90 days of any request.

005.04 The amount determined by the director under §44-4904(9)(i) is one-quarter of one percent of the policyholder surplus as reported in the last annual statement of the insurer.

005.05 The amount set by the director under §44-4904(9)(v) is one-quarter of one percent of the policyholder surplus as reported in the last annual statement of the insurer.

006. Reporting Requirements.

006.01 Domestic insurers are to maintain, at all times, an up-to-date list on file with the Department, containing all names and addresses of managing general agents with whom it has a contract, and the name of an officer of the insurer responsible for the contract.

006.02 A domestic insurer shall file with the Department the name of the officer of the insurer responsible for binding reinsurance contracts.

007. Examination. The Department retains authority to examine a managing general agent notwithstanding termination of the managing general agent's contractual authority. Any examination expenses are to be reimbursed to the Department by the insurer employing the managing general agent according to the provisions of the Insurers Examination Act.

008. Severability. If a court holds any section or portion of a section of this rule, or the applicability thereof, invalid the remainder of the rule or the applicability of such provision to other persons or circumstances are not to be affected thereby.