

40-4509. Same; conditions; manager to provide reinsurer annual statement of financial condition; actuarial opinion on adequacy of loss reserves; authority over retrocessional contracts and syndicate participation; notice of contract termination to commissioner; reinsurance manager, officers, directors, employees, controlling shareholders and subproducers ineligible for appointment to reinsurer board. (a) A reinsurer shall not engage the services of any person, firm, association or corporation to act as a reinsurance manager on its behalf unless such person is licensed as required by subsection (b) of K.S.A. 40-4503.

(b) The reinsurer shall annually obtain a copy of statements of the financial condition of each reinsurance manager which such reinsurer has engaged to be prepared by an independent certified accountant in a form acceptable to the commissioner.

(c) If a reinsurance 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 manager. This opinion shall be in addition to any other required loss reserve certification.

(d) 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 manager.

(e) Within 30 days of termination of a contract with a reinsurance manager, the reinsurer shall provide written notification of such termination to the commissioner.

(f) A reinsurer shall not appoint to its board of directors, any officer, director, employee, controlling shareholder or subproducer of its reinsurance manager. This subsection shall not apply to relationships governed by the holding company act or, if applicable, the broker controlled insurer act.

History: L. 1992, ch. 15, § 9; Dec. 31.