

§741. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1991, c. 828, §20 (NEW).]

1. Actuary. "Actuary" means a person who is a member in good standing of the American Academy of Actuaries.

[PL 1991, c. 828, §20 (NEW).]

2. Cession. "Cession" means a transfer by a policy originating insurer to a reinsurer of the whole or a portion of a single risk, defined policy or defined division of business as set out in a reinsurance contract.

[PL 1991, c. 828, §20 (NEW).]

3. Controlling person. "Controlling person" means any person who directly or indirectly has the power to direct or cause to be directed the management, control or activities of the reinsurance intermediary.

[PL 1991, c. 828, §20 (NEW).]

4. Insurer. "Insurer" means every person engaged as principal and as indemnitor, surety or contractor in the business of entering into contracts of insurance who holds an existing certificate of authority to transact insurance in this State pursuant to section 404.

[PL 1991, c. 828, §20 (NEW).]

5. Reinsurance intermediary. "Reinsurance intermediary" means a reinsurance intermediary-broker or a reinsurance intermediary-manager as these terms are defined in subsections 6 and 7.

[PL 1991, c. 828, §20 (NEW).]

6. Reinsurance intermediary-broker. "Reinsurance intermediary-broker" means any person, other than an officer or employee of the ceding insurer who solicits, negotiates or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of the insurer.

[PL 1991, c. 828, §20 (NEW).]

7. Reinsurance intermediary-manager. "Reinsurance intermediary-manager" means any person who has authority to bind or manage all or part of the assumed reinsurance business of a reinsurer, including the management of a separate division, department or underwriting office, and acts as an agent for such a reinsurer whether known as a reinsurance intermediary-manager, manager or other similar term. The term does not include:

A. An employee of the reinsurer; [PL 1991, c. 828, §20 (NEW).]

B. A manager of a branch of an alien reinsurer that is located in the United States; [PL 1991, c. 828, §20 (NEW).]

C. An underwriting manager that, pursuant to contract, manages all the reinsurance operations of the reinsurer, is under common control with the reinsurer subject to section 222 and whose compensation is not based on the volume of premiums written; and [PL 1991, c. 828, §20 (NEW).]

D. The manager of a group, association, pool or organization of insurers that engages in joint underwriting or joint reinsurance and who is subject to examination by the public insurance regulatory official of the state or country in which the manager's principal business office is located. [PL 1991, c. 828, §20 (NEW).]

[PL 1991, c. 828, §20 (NEW).]

8. Reinsurer. "Reinsurer" means any person who operates as an insurer in any manner under applicable provisions of this Title in the assumption of reinsurance risks.

[PL 1991, c. 828, §20 (NEW).]

9. Retrocession. "Retrocession" means a transfer by a reinsurer to another reinsurer of those risks defined in subsection 2.

[PL 1991, c. 828, §20 (NEW).]

10. Retrocessionaire. "Retrocessionaire" means an insurer or reinsurer assuming reinsurance risks under a retrocession.

[PL 1991, c. 828, §20 (NEW).]

11. Qualified United States financial institution. For purposes of this section, a "qualified United States financial institution" means an institution that:

A. Is organized or, in the case of a United States branch or agency office of a foreign banking organization, is licensed under the laws of the United States or any state of the United States and has been granted authority to operate with fiduciary powers; [PL 1991, c. 828, §20 (NEW).]

B. Is regulated, supervised and examined by federal or state authorities having regulatory authority over banks and trust companies; and [PL 1991, c. 828, §20 (NEW).]

C. Has been determined by the superintendent or the Securities Valuation Office of the National Association of Insurance Commissioners to meet standards of financial condition and standing that are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the superintendent. [PL 1991, c. 828, §20 (NEW).]

[PL 1991, c. 828, §20 (NEW).]

12. Qualified United States financial institution. "Qualified United States financial institution" means for the purposes of those provisions of this section specifying those institutions that are eligible to act as a fiduciary of a trust an institution that:

A. Is organized or in the case of a United States branch or agency office of a foreign banking organization licensed under laws of the United States or any state of the United States and has been granted authority to operate with fiduciary powers; and [PL 1991, c. 828, §20 (NEW).]

B. Is regulated, supervised and examined by federal or state authorities having regulatory authority over banks and trust companies. [PL 1991, c. 828, §20 (NEW).]

[PL 1991, c. 828, §20 (NEW).]

SECTION HISTORY

PL 1991, c. 828, §20 (NEW).

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