

STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY LICENSE
INVENTORY OF FORMS AND GENERAL INSTRUCTIONS
FOR REINSURANCE INTERMEDIARY LICENSE APPLICATION PACKET

Please review this APPLICATION PACKET for all the required forms.

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The Forms contained in this Application MAY BE REPRODUCED as needed by the applicant. If any forms have been omitted from this packet, please contact the Idaho Department of Insurance.

IMPORTANT REGARDING NON-RESIDENT POWER OF ATTORNEY:

A non-resident license will not be issued unless the prospective licensee designates the Director of Insurance as agent for service of process and also furnishes the Director with the name and address of a resident of this State upon whom notices or orders of the Director or process affecting such non-resident reinsurance intermediary may be served. Such licensee shall promptly notify the Director in writing of every change in its designated agent for service of process, and such change shall not become effective until acknowledged by the Director. This Department must also be notified immediately of any change of address of the designee.

Bond and Insurance Requirements for Reinsurance Intermediary-Manager Only:

This shall be a requirement for issuance of a license. Please provide as an attachment to this application the Declarations page of any Fidelity and Errors and Omissions Insurance Policies or Bonds naming applicant and its members which may be considered to meet the requirements of the Reinsurance Intermediary's Act.

**APPLICATION FOR REINSURANCE INTERMEDIARY LICENSE
UNDER CHAPTER 51, TITLE 41, IDAHO CODE**

All questions must be answered and all information requested must be submitted with this application to be accepted by this Department.

This Application **MUST BE VERIFIED AND EXECUTED BY EACH Officer or Partner or Member AND designated Employee or Director WHO** desires to be named to act as a Reinsurance Intermediary in the license applied for herein.

"Reinsurance intermediary broker (RB)" means any person, other than an officer or employee of the ceding insurer, firm, association or corporation 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 such insurer.

"Reinsurance intermediary-manager (RM)" means any person, firm association or corporation 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 reinsurer whether known as a RM, manager or other similar term. Notwithstanding the above, the following persons shall not be considered a RM, with respect to such reinsurer, for the purposes of this chapter:

- (a) An employee of the reinsurer;
- (b) A United States manager of the United States branch of an alien reinsurer;
- (c) An underwriting manager which, pursuant to contract, manages all the reinsurance operations of the reinsurer, is under common control with the reinsurer, subject to Chapter 38, Title 41, Idaho Code, and whose compensation is not based on the volume of premiums written; or
- (d) The manager of a group, association, pool or organization of insurers which engage in joint underwriting or joint reinsurance and which are subject to examination by the insurance director of the state in which the manager's principal business office is located.

PART A

<u>License Type</u>	<u>(check one)</u>
<input type="checkbox"/> Reinsurance Intermediary Broker as defined in Idaho Code Section 41-5102(7)	<input type="checkbox"/> New Applicant
<input type="checkbox"/> Reinsurance Intermediary Manager as defined in Idaho Code Section 41-5102(8)	<input type="checkbox"/> Renewal Application
	<input type="checkbox"/> Resident License
	<input type="checkbox"/> Non-Resident License

PART B

1. Name of Organization Applicant:

2. Does the Applicant intend to transact business under any other names or under its initials?
YES _____ NO _____

If "YES" please state the other name(s) to be used, and attach proof that the use of the other name(s) have been registered with the Idaho Secretary of State.

3. Type of Business Organization:

____ Association ____ Partnership ____ Sole Proprietorship
____ Corporation; State of Incorporation or Organization: _____
Date of Incorporation or Organization: _____

4. Federal Tax ID Number: _____ - _____

or Sole Proprietor Social Security Number: _____ - _____

5. Street Address of Principal Administrative Office:

City: _____ State: _____ Zip Code: _____

Complete Schedule "8" as to Other Office Locations

6. Telephone Number () _____ - _____

Facsimile (FAX) Number () _____ - _____

7. Name of Responsible Contact Person:

_____ Telephone Number () _____ - _____

8. Sole Proprietorship Applicants Only: Are you a member or employee of a partnership, or an officer, director or employee of a corporation which acts, or intends to act, as a Reinsurance Intermediary from an address in the State of Idaho?

YES _____ NO _____

If "YES," give name and address of partnership or corporation.

9. Organization Structure. Provide a statement and/or organization chart which identifies the Applicant's relationship with all affiliated entities, direct or indirect, including parent (holding entity) and ALL subsidiary entities.

10. For NEW APPLICANTS, the following must also be provided:
- a. Certified copies of Articles of Incorporation with any amendments or the current Partnership Agreement.
 - b. Approved Application of Authority for corporations domiciled outside of Idaho as approved by the (Idaho Secretary of State) Corporations Division. (208) 334-2300
11. List name(s) and address(es) of any person, firm, association or corporation who or which, directly or indirectly, has the power to direct or cause to be directed, the management, control or activities of the applicant.

Explain how each person listed above directs the management, control or activities of the applicant.

12. Does the Applicant:

- a. Collect Premiums? YES ___ NO ___

(If "YES" please complete ATTACHMENTS "1" and "2")

Will applicant keep all funds received or collected in such capacity separate from other funds?
 YES ___ NO ___

IF ANSWER IS "NO"

- b. Will immediate remittance of collections be made to insurers?
 YES ___ NO ___

or

- c. Settle claims? YES ___ NO ___

(If "YES,") complete Schedules "2" and "3"

13. a. **REINSURANCE INTERMEDIARY MANAGERS:**

Does applicant have a written, executed Contract with each Reinsurer as required by Section 41-5107, Idaho Code? YES ___ NO ___

(If "YES," complete Schedule "4." If "NO," state the reasons below:)

Please be advised that Section 41-5107, Idaho Code, requires a true copy of the approved contract SHALL be filed with the Director for approval, at least 30 days before the Reinsurer assumes or cedes business through the producer. (Please refer to copy of Act attached.)

1a. **BOND AND INSURANCE REQUIREMENTS FOR REINSURANCE INTERMEDIARY MANAGER ONLY.**

This shall be a requirement for issuance of a license. Please provide as an attachment to this application the Declarations page of any Fidelity and Errors and Omissions insurance policies or bonds naming applicant and its several members which may be considered to meet the requirements of Section 41-5103(a) and (b), Idaho Code.

b. **REINSURANCE INTERMEDIARY BROKERS:**

Does the Applicant have a written authorization with each insurer as required by Section 41-5104, Idaho Code? YES _____ NO _____

(If "YES," complete Schedule "5")

14. Please attach a current balance sheet and income statement which is certified to be true and correct by the NOTARIZED signature of a principal and/or officer of the Applicant. (Such statement is to be CURRENT or within ninety (90) days of application filing.)

15. Complete Schedule "6" as to the full names, titles and address for ALL:

- a. Officers;
- b. Directors;
- c. Partners and Members; and,
- d. Employees designated to act as a Reinsurance Intermediary under this License.

EACH PERSON LISTED MUST COMPLETE AN IDAHO BIOGRAPHICAL AFFIDAVIT (NAIC Form June 1981--1981 Proc. II 303)

16. Has any insurance license referenced in Schedule "7" been denied, suspended or revoked in ANY state? YES _____ NO _____

(IF "YES," PLEASE ATTACH A SEPARATE STATEMENT GIVING THE RELEVANT FACTS, INCLUDING NAMES, DATES, AND CIRCUMSTANCES, ETC.)

17. Has Applicant or any principal, partner, officer, director or controlling stockholder, regardless of how minor the infraction (excluding only traffic violations which resulted in a penalty not exceeding \$100.00 or anything that happened before an individual's 18th birthday), ever:

- a. Been served with criminal summons, been arrested, been taken into custody, been indicted, been charged with, been tried for, or pled guilty and/or *nolo contendere* to, been convicted of or been the subject of an investigation concerning the commission of any felony or misdemeanor? YES _____ NO _____

- b. Been the subject of an investigative or administrative proceeding by any federal or state government regulatory agency? YES _____ NO _____
- c. Been permitted to change a plea of guilty after conviction of a crime or had a judgment or verdict of guilt vacated, set aside or expunged, or had your civil rights restored following conviction? YES _____ NO _____

If you answered "YES," to any part of this question, please furnish a statement giving the complete facts in your own words, including:

- Date and nature of the offense;
- Name and locality of the law enforcement agency, if any, involved; and,
- Disposition of each such matter.

18. Is the Applicant now, or has it ever been, indebted, other than for current accounts, to any company, organization or person for unpaid premiums or return premiums?
YES _____ NO _____

(If "YES," please attach a statement for each such occurrence giving full details concerning the indebtedness including how it arose, the parties involved and the final outcome.)

19. Does the Applicant, or any employer of the Applicant, hold a one percent (1%) or greater ownership interest, either directly, indirectly, or beneficially, in an insurer, other than as a policyholder or claimant? YES _____ No _____

If "YES," for each such interest provide a statement listing the:

- Name of the person or entity who has the relationship with the insurer;
- Relationship of the person or entity to the Applicant, i.e., officer, spouse of officer (giving the name of the officer, etc.);
- Name of the insurer;
- Type of insurer, i.e., property, casualty, life, health, etc.; and
- Extent of the relationship (amount of control/ownership).

The Applicant must notify the Idaho Department of Insurance of any changes in the information provided pursuant to this application and its schedules and attachments within thirty (30) days of such change being known, except for financial statement information which must accompany renewal applications.

**NAIC
BIOGRAPHICAL AFFIDAVIT
(Print or Type)**

Full Name and Address of Company (Do Not Use Group Names).

In connection with the above-named company, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Affiant's Full Name (Initials Not Acceptable): _____

2. a. Have you ever had your name changed? _____

If yes, give the reason for the change: _____

b. Other names used at any time: _____

3. Affiant's Social Security Number: _____

4. Date and Place of Birth: _____

5. Affiant's Business Address and Telephone: _____

6. List your residences for the last ten (10) years starting with your current address:

<u>Date</u>	<u>Address</u>	<u>City and State</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. Education: Dates, Names, Locations and Degrees
Colleges _____

Graduate Studies: _____

Others _____

8. List memberships in Professional Societies and Associations: _____

9. Present or Proposed Position with the Applicant Company: _____

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

<u>Dates</u>	<u>Employer and Address</u>	<u>Title</u>

11. Present employer may be contacted: Yes No (Circle One)
Former employers may be contact: Yes No (Circle One)

12. a. Have you ever been in a position which required a fidelity bond? _____
If any claims were made on the bond, give details: _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? _____
If yes, give details: _____

13. List any professional, occupational, and vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past (state date license issued, issuer of license, date terminated, reasons for termination):

14. During the last ten (10) years, have you ever been refused a professional, occupational, or vocational license by any public or governmental licensing agency or regulatory authority, or has any such license held by you ever been suspended or revoked? _____ If yes, give details:

15. List any insurers in which you control directly or indirectly or own legally or beneficially 10% or more of the outstanding stock (in voting power): _____

If any of the stock is pledged or hypothecated in any way, give details: _____

16. Will you or members of your immediate family subscribe to or own, beneficially or of record, shares of stock of the applicant insurance company or its affiliate? _____ If any of the shares or stocks are pledged or hypothecated in any way, give details: _____

17. Have you ever been adjudged a bankrupt? _____
18. a. Have you ever been convicted or had a sentence imposed or suspended, or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or *nolo contendere* to an information or indictment charging any felony, or charging a misdemeanor involving embezzlement, theft, larceny, or mail fraud, or charging violation of any corporate securities statute or any insurance law, or have you been subject of any disciplinary proceedings of any federal or state regulatory agency? _____
 If yes, give details: _____

- b. Has any company been so charged, allegedly as a result of any action or conduct on your part? _____
 If yes, give details: _____

19. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any insurer which, while you occupied any such position or capacity with respect to it, become insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? _____
20. Has the certificate of authority or license to do business of any insurance company of which you were an officer or director or key management person ever been suspended or revoked while you occupied such position? _____
 If yes, give details: _____

Dated and signed this _____ day of _____ at _____.

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

 (Signature of Affiant)

State of: _____ County of: _____

The above named personally appeared before me, who is personally known to me; being duly sworn, deposes and states that he executed the above instrument; and that the statements and answers contained herein are true and correct to the best of my knowledge and belief.

Subscribed and sworn to before me this _____ day of _____ 19 _____.

 (Notary Public)

My Commission Expires _____

IN WITNESS WHEREOF, we, the General Partners, or the President and Secretary of said Partnership, Corporation or Association, respectively, have hereunto set our hand and affixed the seal of said corporation on this _____ day of _____, 19____.

BY: _____ (General Partner or Secretary: Signature)
_____ (Typed/Printed Full Name)

SUBSCRIBED AND SWORN TO before me this ____ day of _____, 19____

My Commission Expires:

Signature of Notary Public

**STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY LICENSE
SCHEDULE "2"**

1. Complete the information requested below concerning the location of bank accounts. Identify any and all trust accounts by writing the word "TRUST" above the account number.

THE INFORMATION BELOW IS CURRENT AS OF: ___ / ___ / ___

Name of Financial Institution _____

Name of Contact Person and Title _____

Street Address _____

City _____ State _____ Zip _____ () _____ -
Telephone No.

Account Number _____ Type of Account _____ \$ _____
Current Balance

Name(s) on the Account _____

Reinsurer or Other Beneficiaries of Account _____

Street Address _____

City _____ State _____ Zip _____ () _____ -
Telephone No.

Name of Financial Institution _____

Name of Contact Person and Title _____

Street Address _____

City _____ State _____ Zip _____ () _____ -
Telephone No.

Account Number _____ Type of Account _____ \$ _____
Current Balance

Name(s) on the Account _____

Reinsurer or Other Beneficiaries of Account _____

Street Address _____

City _____ State _____ Zip _____ () _____ -
Telephone No.

2. Provide attachments of any parts of any contractual agreements with each Reinsurer providing for fiduciary bank accounts.

**STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY
LICENSE SCHEDULE "3"**

Name of Applicant: _____

1. Is the name of the insurer printed on checks? YES ___ NO ___

2. Are underwriting and rating standards complied with as established by the insurer for acceptance, rejection or cessions of all risk? YES ___ NO ___

3. Complete the following information on attachments:
 - a. Attach relevant parts of the contracts with reinsurers that concern any claims settlement responsibilities of the applicant.
 - b. Describe your claims payment procedures. Attach relevant parts of contracts with reinsurers concerning responsibilities.
 - c. Describe any and all restrictions on the dollar value of claims for which you are responsible for paying.

4. Provide attachments of any parts of the contracts with reinsurer providing for claim payment accounts including, but not limited to:
 - a. The address of the business location at which the claim files are maintained;
 - b. Provisions regarding examination of records by the reinsurer; and,
 - c. Provisions for the maintenance of duplicate records by the reinsurer (if such procedure exists).

5. Give complete details of fidelity or surety bond coverages in effect for the protection of insurers or reinsurers represented by applicant.

6. Give complete details of error and omissions policies issued to applicant.
(Attach Copy)

**STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY
LICENSE SCHEDULE "4" (REINSURANCE MANAGERS)**

Name of Applicant: _____

Give the name, aliases (other names used), address, telephone number, state of domicile, NAIC number and contact person for each reinsurer represented by applicant and the execution date and duration of each contract required by Idaho Code, Section 41-5107.

Name of Reinsurer _____

Alias _____

Alias _____

Street Address _____

_____ City _____ State _____ Zip _____ () - _____ Telephone No.

_____ State of Domicile _____ NAIC No. _____ Contact Person

() - _____ Telephone No. _____ / / _____ Execution Date _____ Term of Contract

Name of Reinsurer _____

Alias _____

Alias _____

Street Address _____

_____ City _____ State _____ Zip _____ () - _____ Telephone No.

_____ State of Domicile _____ NAIC No. _____ Contact Person

() - _____ Telephone No. _____ / / _____ Execution Date _____ Term of Contract

Name of Reinsurer _____

Alias _____

Alias _____

Street Address _____

_____ City _____ State _____ Zip _____ () - _____ Telephone No.

_____ State of Domicile _____ NAIC No. _____ Contact Person

() - _____ Telephone No. _____ / / _____ Execution Date _____ Term of Contract

STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY
 LICENSE SCHEDULE "4" (continued)

Name of Reinsurer _____

Alias _____

Alias _____

Street Address _____

_____	_____	_____	() - _____
City	State	Zip	Telephone No.

_____	_____	_____
State of Domicile	NAIC No.	Contact Person

() - _____	/ / _____	_____
Telephone No.	Execution Date	Term of Contract

**STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY
LICENSE SCHEDULE "5" (REINSURANCE BROKERS)**

Name of Applicant: _____

Give the name, aliases (other names used), address, telephone number, state of domicile, NAIC number and contact person for each insurer represented by applicant and the execution date and duration of each contract required by Idaho Code, Section 41-5104.

Name of Insurer _____

Alias _____

Alias _____

Street Address _____

_____ City _____ State _____ Zip _____ () _____ -
Telephone No.

_____ State of Domicile _____ NAIC No. _____ Contact Person

() _____ - _____ / / _____
Telephone No. Execution Date Term of Contract

Name of Insurer _____

Alias _____

Alias _____

Street Address _____

_____ City _____ State _____ Zip _____ () _____ -
Telephone No.

_____ State of Domicile _____ NAIC No. _____ Contact Person

() _____ - _____ / / _____
Telephone No. Execution Date Term of Contract

Name of Insurer _____

Alias _____

Alias _____

Street Address _____

_____ City _____ State _____ Zip _____ () _____ -
Telephone No.

_____ State of Domicile _____ NAIC No. _____ Contact Person

() _____ - _____ / / _____
Telephone No. Execution Date Term of Contract

**STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY
LICENSE SCHEDULE "5" (continued)**

Name of Insurer

Alias

Alias

Street Address

City

State

Zip

() -
Telephone No.

State of Domicile

NAIC No.

Contact Person

() -
Telephone No.

/ /
Execution Date

Term of Contract

Name of Insurer

Alias

Alias

Street Address

City

State

Zip

() -
Telephone No.

State of Domicile

NAIC No.

Contact Person

() -
Telephone No.

/ /
Execution Date

Term of Contract

STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY
LICENSE SCHEDULE "6"

Name of Applicant _____

List all partners or members, officers, directors and DESIGNATED EMPLOYEES and give information requested below. (List officers first, followed by designated directors and employees)

EACH PERSON LISTED MUST COMPLETE THE NAIC BIOGRAPHICAL AFFIDAVIT FORM. (1981 Proc. II 303)

Name _____

Title _____

Director? YES _____ NO _____ Sex M _____ F _____ Date of Birth: ____ / ____ / ____
Will Act As Intermediary (Check Here) _____

Street Address _____

City _____ State _____ Zip _____ Social Security No. _____

Name _____

Title _____

Director? YES _____ NO _____ Sex M _____ F _____ Date of Birth: ____ / ____ / ____
Will Act As Intermediary (Check Here) _____

Street Address _____

City _____ State _____ Zip _____ Social Security No. _____

Name _____

Title _____

Director? YES _____ NO _____ Sex M _____ F _____ Date of Birth: ____ / ____ / ____
Will Act As Intermediary (Check Here) _____

Street Address _____

City _____ State _____ Zip _____ Social Security No. _____

STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY
LICENSE SCHEDULE "6" (continued)

Name _____

Title _____

Director? YES _____ NO _____ Sex M _____ F _____ Date of Birth: ____ / ____ / ____
Will Act As Intermediary (Check Here) _____

Street Address _____

_____ City _____ State _____ Zip _____ Social Security No. _____

Name _____

Title _____

Director? YES _____ NO _____ Sex M _____ F _____ Date of Birth: ____ / ____ / ____
Will Act As Intermediary (Check Here) _____

Street Address _____

_____ City _____ State _____ Zip _____ Social Security No. _____

Name _____

Title _____

Director? YES _____ NO _____ Sex M _____ F _____ Date of Birth: ____ / ____ / ____
Will Act As Intermediary (Check Here) _____

Street Address _____

_____ City _____ State _____ Zip _____ Social Security No. _____

Name _____

Title _____

Director? YES _____ NO _____ Sex M _____ F _____ Date of Birth: ____ / ____ / ____
Will Act As Intermediary (Check Here) _____

Street Address _____

_____ City _____ State _____ Zip _____ Social Security No. _____

STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY LICENSE
SCHEDULE "7"

Name of Applicant _____

Please list all producer licenses held by Applicant.

State of Issue	Type of License & Number	
Resident or Non-Resident License	_____ / / Issue Date	_____ / / Expiration

State of Issue	Type of License & Number	
Resident or Non-Resident License	_____ / / Issue Date	_____ / / Expiration

State of Issue	Type of License & Number	
Resident or Non-Resident License	_____ / / Issue Date	_____ / / Expiration

State of Issue	Type of License & Number	
Resident or Non-Resident License	_____ / / Issue Date	_____ / / Expiration

State of Issue	Type of License & Number	
Resident or Non-Resident License	_____ / / Issue Date	_____ / / Expiration

State of Issue	Type of License & Number	
Resident or Non-Resident License	_____ / / Issue Date	_____ / / Expiration

State of Issue	Type of License & Number	
Resident or Non-Resident License	_____ / / Issue Date	_____ / / Expiration

STATE OF IDAHO APPLICATION FOR REINSURANCE INTERMEDIARY LICENSE
SCHEDULE "8"

Name of Applicant _____

List address of ALL offices maintained by Applicant, including locations of members, officers, directors or employees to be included in the license applied for herein.

Street Address _____

City _____ State _____ Zip _____ () _____ - _____
Telephone No.

Street Address _____

City _____ State _____ Zip _____ () _____ - _____
Telephone No.

Street Address _____

City _____ State _____ Zip _____ () _____ - _____
Telephone No.

Street Address _____

City _____ State _____ Zip _____ () _____ - _____
Telephone No.

Street Address _____

City _____ State _____ Zip _____ () _____ - _____
Telephone No.

Street Address _____

City _____ State _____ Zip _____ () _____ - _____
Telephone No.



Idaho Statutes

TITLE 41
INSURANCE
CHAPTER 51

REINSURANCE INTERMEDIARY ACT

41-5101. SHORT TITLE. This chapter may be cited as the "Reinsurance Intermediary Act."

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Idaho Statutes

TITLE 41
INSURANCE
CHAPTER 51

REINSURANCE INTERMEDIARY ACT

41-5102. DEFINITIONS. As used in this chapter:

- (1) "Actuary" means a person who is a member in good standing of the American academy of actuaries.
- (2) "Controlling person" means any person, firm, association or corporation who directly or indirectly has the power to direct or cause to be directed, the management, control or activities of the reinsurance intermediary.
- (3) "Insurer" means any person, firm, association or corporation duly licensed in this state pursuant to the applicable provisions of the insurance law as an insurer.
- (4) "Licensed producer" means an agent, broker or reinsurance intermediary licensed pursuant to the applicable provision of the insurance law.
- (5) "Qualified United States financial institution" means for purposes of this chapter, a qualified United States financial institution that:
 - (a) Is organized or, in the case of a United States office of a foreign banking organization, licensed, under the laws of the United States or any state thereof;
 - (b) Is regulated, supervised and examined by United States federal or state authorities having regulatory authority over banks and trust companies; and
 - (c) Has been determined by either the director, or the securities valuation office of the national association of insurance commissioners, to meet such standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the director.
- (6) "Reinsurance intermediary" means a reinsurance intermediary-broker, or a reinsurance intermediary-manager as these terms are defined in subsections (7) and (8) of this section.
- (7) "Reinsurance intermediary-broker (RB)" means any person, other than an officer or employee of the ceding insurer, firm, association or corporation 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 such insurer.
- (8) "Reinsurance intermediary-manager (RM)" means any person, firm, association or corporation 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 reinsurer whether known as a RM, manager or other similar term. Notwithstanding the above, the following persons shall not be considered a RM, with respect to such reinsurer, for the purposes of this chapter:
 - (a) An employee of the reinsurer;
 - (b) A United States manager of the United States branch of an alien reinsurer;
 - (c) An underwriting manager which, pursuant to contract, manages all the reinsurance operations of the reinsurer, is under common control with the reinsurer, subject to chapter 38, title 41, Idaho Code, and whose compensation is not based on the volume of premiums written; or
 - (d) The manager of a group, association, pool or organization of

insurers which engage in joint underwriting or joint reinsurance and which are subject to examination by the insurance director of the state in which the manager's principal business office is located.

(9) "Reinsurer" means any person, firm, association or corporation duly licensed or authorized to do business in this state pursuant to the applicable provisions of the insurance law as an insurer with the authority to assume reinsurance.

(10) "To be in violation" means that the reinsurance intermediary, insurer or reinsurer for whom the reinsurance intermediary was acting failed to substantially comply with the provision of this chapter.

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Search the Idaho Statutes

Available Reference: *Search Instructions*.

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Idaho Statutes

TITLE 41
INSURANCE
CHAPTER 51

REINSURANCE INTERMEDIARY ACT

41-5103. LICENSURE. (1) No person, firm, association or corporation shall act as a RB in this state if the RB maintains an office either directly or as a member or employee of a firm or association, or an officer, director or employee of a corporation

(a) In this state, unless such RB is a licensed producer in this state; or

(b) In another state, unless such RB is a licensed producer in this state or another state having a law substantially similar to this law or such RB is licensed in this state as a nonresident reinsurance intermediary.

(2) No person, firm, association or corporation shall act as a RM

(a) For a reinsurer domiciled in this state, unless such RM is a licensed producer in this state;

(b) In this state, if the RM maintains an office either directly or as a member or employee of a firm or association, or an officer, director or employee of a corporation in this state, unless such RM is a licensed producer in this state;

(c) In another state for a nondomestic insurer, unless such RM is a licensed producer in this state or another state having a law substantially similar to this law or such person is licensed in this state as a nonresident reinsurance intermediary.

(3) The director may require a RM subject to subsection (2) of this section to

(a) File a bond in an amount from an insurer acceptable to the director for the protection of the reinsurer; and

(b) Maintain an errors and omissions policy in an amount acceptable to the director.

(4) (a) The director may issue a reinsurance intermediary license to any person, firm, association or corporation who has complied with the requirements of this chapter. Any such license issued to a firm or association will authorize all the members of such firm or association and any designated employees to act as reinsurance intermediaries under the license, and all such persons shall be named in the application and any supplements thereto. Any such license issued to a corporation shall authorize all of the officers, and any designated employees and directors thereof to act as reinsurance intermediaries on behalf of such corporation, and all such persons shall be named in the application and any supplements thereto.

(b) If the applicant for a reinsurance intermediary license is a nonresident, such applicant, as a condition precedent to receiving or holding a license, shall designate the director as agent for service of process in the manner, and with the same legal effect, provided for in this title for designation of service of process upon unauthorized insurers, and shall also furnish the director with the name and address of a resident of this state upon whom notices or orders of the director or process affecting such nonresident reinsurance intermediary may be served. Such licensee shall promptly notify the director in writing of every change in its designated agent for service of process, and such change shall not become effective until acknowledged by the director.

(5) The director may refuse to issue a reinsurance intermediary license if, in his judgment, the applicant, anyone named on the application, or any member, principal, officer or director of the applicant, is not trustworthy,

or that any controlling person of such applicant is not trustworthy to act as a reinsurance intermediary, or that any of the foregoing has given cause for revocation or suspension of such license, or has failed to comply with any prerequisite for the issuance of such license. Upon written request therefor, the director will furnish a summary of the basis for refusal to issue a license, which document shall be privileged and exempt from disclosure pursuant to exemptions provided in chapter 3, title 9, Idaho Code.

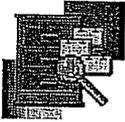
(6) Licensed attorneys at law of this state when acting in their professional capacity as such shall be exempt from the provisions of this section.

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Idaho Statutes

TITLE 41
INSURANCE
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REINSURANCE INTERMEDIARY ACT

41-5104. REQUIRED CONTRACT PROVISIONS -- REINSURANCE INTERMEDIARY --
BROKERS. Transactions between a RB and the insurer it represents in such
capacity shall only be entered into pursuant to a written authorization,
specifying the responsibilities of each party. The authorization shall, at
a minimum, provide that:

- (1) The insurer may terminate the RB's authority at any time.
- (2) The RB will render accounts to the insurer accurately detailing all
material transactions, including information necessary to support all
commissions, charges and other fees received by, or owing, to the RB, and
remit all funds due to the insurer within thirty (30) days of receipt.
- (3) All funds collected for the insurer's account will be held by the RB
in a fiduciary capacity in a bank which is a qualified United States
financial institution as defined herein.
- (4) The RB will comply with the provisions of section 41-5105, Idaho
Code.
- (5) The RB will comply with the written standards established by the
insurer for the cession or retrocession of all risks.
- (6) The RB will disclose to the insurer any relationship with any
reinsurer to which business will be ceded or retroceded.

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TITLE 41
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CHAPTER 51

REINSURANCE INTERMEDIARY ACT

41-5105. BOOKS AND RECORDS -- REINSURANCE INTERMEDIARY BROKERS. (1) For at least ten (10) years after expiration of each contract of reinsurance transacted by the RB, the RB will keep a complete record for each transaction showing:

- (a) The type of contract, limits, underwriting restrictions, classes or risks and territory;
 - (b) Period of coverage, including effective and expiration dates, cancellation provisions and notice required of cancellation;
 - (c) Reporting and settlement requirements of balances;
 - (d) Rate used to compute the reinsurance premium;
 - (e) Names and addresses of assuming reinsurers;
 - (f) Rates of all reinsurance commissions, including the commissions on any retrocessions handled by the RB;
 - (g) Related correspondence and memoranda;
 - (h) Proof of placement;
 - (i) Details regarding retrocessions handled by the RB including the identity of retrocessionaires and percentage of each contract assumed or ceded;
 - (j) Financial records including, but not limited to, premium and loss accounts; and
 - (k) When the RB procures a reinsurance contract on behalf of a licensed ceding insurer:
 - (i) Directly from any assuming reinsurer, written evidence that the assuming reinsurer has agreed to assume the risk; or
 - (ii) If placed through a representative of the assuming reinsurer, other than an employee, written evidence that such reinsurer has delegated binding authority to the representative.
- (2) The insurer will have access and the right to copy and audit all accounts and records maintained by the RB related to its business in a form usable by the insurer.

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41-5106. DUTIES OF INSURERS UTILIZING THE SERVICES OF A REINSURANCE INTERMEDIARY -- BROKER. (1) An insurer shall not engage the services of any person, firm, association or corporation to act as a RB on its behalf unless such person is licensed as required in section 41-5103(1), Idaho Code.

(2) An insurer may not employ an individual who is employed by a RB with which it transacts business, unless such RB is under common control with the insurer and subject to the provisions of chapter 38, title 41, Idaho Code.

(3) The insurer shall annually obtain a copy of the statement of the financial condition of each RB with which it transacts business.

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41-5107. REQUIRED CONTRACT PROVISIONS -- REINSURANCE INTERMEDIARY -- MANAGERS. Transactions between a RM and the reinsurer it represents in such capacity shall only be entered into pursuant to a written contract, specifying the responsibilities of each party, which shall be approved by the reinsurer's board of directors. At least thirty (30) days before such reinsurer assumes or cedes business through such producer, a true copy of the approved contract shall be filed with the director for approval. The contract shall, at a minimum, contain provisions that:

(1) The reinsurer may terminate the contract for cause upon written notice to the RM. The reinsurer may immediately suspend the authority of the RM to assume or cede business during the pendency of any dispute regarding the cause for termination.

(2) The RM will render accounts to the reinsurer accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees received by, or owing to the RM, and remit all funds due under the contract to the reinsurer on not less than a monthly basis.

(3) All funds collected for the reinsurer's account will be held by the RM in a fiduciary capacity in a bank which is a qualified United States financial institution as defined herein. The RM may retain no more than three (3) months estimated claims payments and allocated loss adjustment expenses. The RM shall maintain a separate bank account for each reinsurer that it represents.

(4) For at least ten (10) years after expiration of each contract of reinsurance transacted by the RM, the RM will keep a complete record for each transaction showing:

- (a) The type of contract, limits, underwriting restrictions, classes or risks and territory;
- (b) Period of coverage, including effective and expiration dates, cancellation provisions and notice required of cancellation, and disposition of outstanding reserves on covered risks;
- (c) Reporting and settlement requirements of balances;
- (d) Rate used to compute the reinsurance premium;
- (e) Names and addresses of reinsurers;
- (f) Rates of all reinsurance commissions, including the commissions on any retrocessions handled by the RM;
- (g) Related correspondence and memoranda;
- (h) Proof of placement;
- (i) Details regarding retrocessions handled by the RM, as permitted under the provisions of section 41-5109(4), Idaho Code, including the identity of retrocessionaires and percentage of each contract assumed or ceded;
- (j) Financial records including, but not limited to, premium and loss accounts; and
- (k) When the RM places a reinsurance contract on behalf of a ceding insurer:
 - (i) Directly from any assuming reinsurer, written evidence that the assuming reinsurer has agreed to assume the risk; or
 - (ii) If placed through a representative of the assuming reinsurer, other than an employee, written evidence that such reinsurer has delegated binding authority to the representative.

- (5) The reinsurer will have access and the right to copy all accounts and records maintained by the RM related to its business in a form usable by the reinsurer.
- (6) The contract cannot be assigned in whole or in part by the RM.
- (7) The RM will comply with the written underwriting and rating standards established by the insurer for the acceptance, rejection or cession of all risks.□
- (8) Set forth the rates, terms and purposes of commissions, charges and other fees which the RM may levy against the reinsurer.
- (9) If the contract permits the RM to settle claims on behalf of the reinsurer:
- (a) All claims will be reported to the reinsurer in a timely manner;
 - (b) A copy of the claim file will be sent to the reinsurer at its request or as soon as it becomes known that the claim:
 - (i) Has the potential to exceed the lesser of an amount determined by the director or the limit set by the reinsurer;
 - (ii) Involves a coverage dispute;
 - (iii) May exceed the RM's claims settlement authority;
 - (iv) Is open for more than six (6) months; or
 - (v) Is closed by payment of the lesser of an amount set by the director or an amount set by the reinsurer;
 - (c) All claim files will be the joint property of the reinsurer and the RM. However, upon an order of liquidation of the reinsurer such files shall become the sole property of the reinsurer or its estate. The RM shall have reasonable access to and the right to copy the files on a timely basis; and
 - (d) Any settlement authority granted to the RM may be terminated for cause upon the reinsurer's written notice to the RM or upon the termination of the contract. The reinsurer may suspend the settlement authority during the pendency of the dispute regarding the cause of termination.
- (10) If the contract provides for a sharing of interim profits by the RM, such interim profits will not be paid until one (1) year after the end of each underwriting period for property business and five (5) years after the end of each underwriting period for casualty business (or a later period set by the director for specified lines of insurance) and not until the adequacy of reserves on remaining claims has been verified pursuant to section 41-5109(3), Idaho Code.
- (11) The RM will annually provide the reinsurer with a statement of its financial condition prepared by an independent certified accountant.
- (12) The reinsurer shall periodically (at least semiannually) conduct an onsite review of the underwriting and claims processing operations of the RM.
- (13) The RM will disclose to the reinsurer any relationship it has with any insurer prior to ceding or assuming any business with such insurer pursuant to this contract.
- (14) Within the scope of its actual or apparent authority the acts of the RM shall be deemed to be the acts of the reinsurer on whose behalf it is acting.

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REINSURANCE INTERMEDIARY ACT

41-5108. PROHIBITED ACTS. The RM shall not:

(1) Cede retrocessions on behalf of the reinsurer, except that the RM may cede facultative retrocessions pursuant to obligatory facultative agreements if the contract with the reinsurer contains reinsurance underwriting guidelines for such retrocessions. Such guidelines shall include a list of reinsurers with which such automatic agreements are in effect, and for each such reinsurer, the coverages and amounts or percentages that may be reinsured, and commission schedules.

(2) Commit the reinsurer to participate in reinsurance syndicates.

(3) Appoint any producer without assuring that the producer is lawfully licensed to transact the type of reinsurance for which he is appointed.

(4) Without prior approval of the reinsurer, pay or commit the reinsurer to pay a claim, net of retrocessions, that exceeds the lesser of an amount specified by the reinsurer or one per cent (1%) of the reinsurer's policyholder surplus as of December 31 of the last complete calendar year.

(5) Collect any payment from a retrocessionaire or commit the reinsurer to any claim settlement with a retrocessionaire, without prior approval of the reinsurer. If prior approval is given, a report must be promptly forwarded to the reinsurer.

(6) Jointly employ an individual who is employed by the reinsurer unless such RM is under common control with the reinsurer subject to chapter 38, title 41, Idaho Code.

(7) Appoint a sub-RM.

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41-5109. DUTIES OF REINSURERS UTILIZING THE SERVICES OF A REINSURANCE INTERMEDIARY -- MANAGER. (1) A reinsurer shall not engage the services of any person, firm, association or corporation to act as a RM on its behalf unless such person is licensed as required in section 41-5103(2), Idaho Code.

(2) The reinsurer shall annually obtain a copy of the statement(s) of the financial condition of each RM which such reinsurer has engaged, prepared by an independent certified accountant in a form acceptable to the director.

(3) If a RM 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 RM. 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 RM.

(5) Within thirty (30) days of termination of a contract with a RM, the reinsurer shall provide written notification of such termination to the director.

(6) A reinsurer shall not appoint to its board of directors, any officer, director, employee, controlling shareholder or subproducer of its RM. The provisions of this subsection shall not apply to relationships governed by chapter 38, title 41, Idaho Code, or if applicable, chapter 17, title 41, Idaho Code.

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41-5110. EXAMINATION AUTHORITY. (1) A reinsurance intermediary shall be subject to examination by the director. The director shall have access to all books, bank accounts and records of the reinsurance intermediary in a form usable to the director.

(2) A RM may be examined as if it were the reinsurer.

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REINSURANCE INTERMEDIARY ACT

41-5111. PENALTIES AND LIABILITIES. (1) A reinsurance intermediary, insurer or reinsurer found by the director, after a hearing conducted in accordance with chapter 52, title 67, Idaho Code, to be in violation of any provision(s) of this chapter shall:

(a) For each separate violation, pay a penalty in an amount not exceeding five thousand dollars (\$5,000);

(b) Be subject to revocation or suspension of its license; and

(c) If a violation was committed by the reinsurance intermediary, such reinsurance intermediary shall make restitution to the insurer, reinsurer, rehabilitator or liquidator of the insurer or reinsurer for the net losses incurred by the insurer or reinsurer attributable to such violation.

(2) The decision, determination or order of the director pursuant to subsection (1) of this section shall be subject to judicial review pursuant to chapter 52, title 67, Idaho Code.

(3) Nothing contained in this section shall affect the right of the director to impose any other penalties provided in the insurance law.

(4) Nothing contained in this chapter is intended to or shall in any manner limit or restrict the rights of policyholders, claimants, creditors or other third parties or confer any rights to such persons.

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