



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner
Financial Conditions Division

Mailing Address:
 Financial Conditions
 PO Box 50540
 Charleston, WV 25305-0540

Telephone: (304) 558-2100
 Facsimile: (304) 558-1365
 Email: oicfinancialconditions@wv.gov
 www.wvinsurance.gov

Location:
 Financial Conditions
 900 Pennsylvania Avenue
 Charleston, WV 25302

Managing General Agent (MGA)
License Application - Contract Review

This form is to be completed as part of the application process. The contract will be compared with the form and the applicant contacted if there are any questions or further clarification is needed. **This information is required pursuant to W. Va. Code §33-37-3.**

Contract between _____ and _____

Dated: _____

Responsibilities:

Contract specifies division of any responsibilities shared by both parties. (§33-37-3) **Contracts cite:** _____

Termination:

Insurer may terminate contract upon written notice to MGA. (§33-37-3(a)) **Contracts cite:** _____

Insurer may suspend MGA’s underwriting authority while termination dispute is pending. (§33-37-3(a))
Contracts cite: _____

Suspension does not relieve MGA of obligation to service existing business. **Contracts cite:** _____

Accounting:

MGA shall render accounts to insurer detailing all transactions and remit all funds due under contract on at least a monthly basis. (§33-37-3(b)) **Contracts cite:** _____

Fiduciary Accounts:

All funds collected on behalf of insurer are to be held in fiduciary capacity with an FDIC-insured financial institution. (§33-37-3(c)) **Contracts cite:** _____

Account will be used for all payments on behalf of insurer. (§33-37-3(c)) **Contracts cite:** _____

MGA may not retain more than three months estimated claims payments and allocated loss adjustment expenses. (§33-37-3(c))
Contracts cite: _____

Records:

Separate records of business will be maintained by MGA. (§33-37-3(d)) **Contracts cite:** _____

Insurer has access and may copy all accounts and records related to its business in a form usable by the insurer. (§33-37-3(d))
Contracts cite: _____

Commissioner has access to all books, bank accounts and records of MGA in a form usable to the Commissioner. (§33-37-3(d))
Contracts cite: _____

Underwriting Guidelines:

Maximum annual premium volumes; (§33-37-3(f)(1)) **Contracts cite:** _____

Basis of rates to be charged; (§33-37-3(f)(2)) **Contracts cite:** _____

Types of risks that may be written; (§33-37-3(f)(3)) **Contracts cite:** _____

Maximum limits of liability; (§33-37-3(f)(4)) **Contracts cite:** _____

Applicable exclusions; (§33-37-3(f)(5)) **Contracts cite:** _____

Territorial limitations; (§33-37-3(f)(6)) **Contracts cite:** _____

Policy cancellation provisions; (§33-37-3(f)(7)) **Contracts cite:** _____

Maximum policy period. (§33-37-3(f)(8)) **Contracts cite:** _____

Insurer has right to cancel or not renew any policy subject to all applicable laws and rules regarding the cancellation and nonrenewal of insurance policies. (§33-37-3(f)(8)) **Contracts cite:** _____

Settlement Authority: (If contract permits MGA to settle claims on behalf of insurer)

All claims will be reported to insurer in timely manner. (§33-37-3(g)(1)) **Contracts cite:** _____

Copy of claim file will be sent to insurer at its request or as soon as it becomes known that claim:

Has potential to exceed amount determined by Commissioner or exceeds the limit set by the insurer, whichever is less; (§33-37-3(g)(2)(A)) **Contracts cite:** _____

Involves a coverage dispute; (§33-37-3(g)(2)(B)) **Contracts cite:** _____

May exceed MGA's claim settlement authority; (§33-37-3(g)(2)(C)) **Contracts cite:** _____

Is open for more than 6 months; (§33-37-3(g)(2)(D)) **Contracts cite:** _____

Is closed by payment of an amount set by the Commissioner or an amount set by insurer, whichever is less. (§33-37-3(g)(2)(E)) **Contracts cite:** _____

All claim files are joint property of insurer and MGA. (§33-37-3(g)(3)) **Contracts cite:** _____

Upon order of liquidation of insurer, files become sole property of insurer or its estate. (§33-37-3(g)(3))
Contracts cite: _____

MGA has reasonable access to files and right to copy files in a timely basis. (§33-37-3(g)(3))
Contracts cite: _____

Insurer may terminate settlement authority upon written notice or upon termination of contract. (§33-37-3(g)(4))
Contracts cite: _____

Insurer may suspend settlement authority while termination dispute is pending. (§33-37-3(g)(4))
Contracts cite: _____

Upon termination of settlement authority, it is preferred that the MGA: **Contracts cite:** _____

Desist from any draw on funds of insurer. **Contracts cite:** _____

Immediately forward to insurer all claims files within MGA's immediate possession (and any received thereafter).
Contracts cite: _____

Promptly transfer to insurer any funds owed to insurer or to any policyholder.
Contracts cite: _____

Promptly transfer to insurer any property of insurer within MGA's actual or constructive possession.
Contracts cite: _____

Transmission:

If electronic claims files exist, the contract must address the timely transmission of the data. (§33-37-3(h)) **Contracts cite:** _____

Interim Profits: (if applicable)

Interims may not be paid until one year after earned for property; five years for casualty. (§33-37-3(i)) **Contracts cite:** _____

Interims may not be paid until verified by actuary. (§33-37-3(i)) **Contracts cite:** _____

Advertising:

MGA may use only advertising material pertaining to the business issued by an insurer that has been approved in writing by the insurer in advance of its use. (§33-37-3(j)) **Contracts cite:** _____

MGA may not:

Assign contract (in whole or part). **Contracts cite:** _____

Bind reinsurance or retrocessions (except facultative agreement contract containing: (§33-37-3(k)(1))
Contracts cite: _____

Reinsurance underwriting guidelines for reinsurance assumed and ceded. (§33-37-3(k)(1)) **Contract site:** _____

List of reinsurers with which automatic agreements are in effect. (§33-37-3(k)(1)) **Contracts cite:** _____

Coverages and amounts or percentages that may be reinsured. (§33-37-3(k)(1)) **Contracts cite:** _____

Commission schedules. (§33-37-3(k)(1)) **Contracts cite:** _____

Commit insurer to participate in insurance or reinsurance syndicates. (§33-37-3(k)(2)) **Contracts cite:** _____

Use any producer without verifying producer is licensed in WV for kind of insurance transacted. (§33-37-3(k)(3))
Contracts cite: _____

Without prior approval of the insurer, pay or commit insurer to pay a claim over amount specified by insurer, net of reinsurance, which may not exceed 1% of insurer's policyholder surplus as of December 31 of preceding year.
(§33-37-3(k)(4)) **Contracts cite:** _____

Collect any payment from reinsurer or commit insurer to any claim settlement with a reinsurer without prior approval of insurer, and if prior approval is given, MGA will promptly forward report to insurer. (§33-37-3(k)(5)) **Contracts cite:** _____

Permit its subproducer to serve on the insurer's board of directors. (§33-37-3(k)(6)) **Contracts cite:** _____

Jointly employ any employee of insurer. (§33-37-3(k)(7)) **Contracts cite:** _____

Appoint a submanaging general agent. (§33-37-3(k)(8)) **Contracts cite:** _____

Submit your completed application to:

WV Offices of the Insurance Commissioner
Financial Conditions Division
PO Box 50540
Charleston, WV 25305-0540

Questions:

Access West Virginia Code at <http://www.legis.state.wv.us/legishp.html>

E-mail Financial Conditions Division at OICFinancialConditions@wv.gov; or phone at (304) 558-2100