

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1157 Record of transaction.

Sec. 1157.

For at least 10 years after expiration of each contract of reinsurance transacted by a reinsurance intermediary, the reinsurance intermediary will keep a complete record for each transaction showing all of the following:

- (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 reinsurance intermediary.
- (g) Related correspondence and memoranda.
- (h) Proof of placement.
- (i) Details regarding retrocessions handled by the reinsurance intermediary 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.
- (k) When the reinsurance intermediary procures a reinsurance contract on behalf of a licensed ceding insurer as follows:
 - (i) If directly from any assuming reinsurer, written evidence that the assuming reinsurer has agreed to assume the risk.
 - (ii) If placed through a representative of the assuming reinsurer, other than an employee, written evidence that the reinsurer has delegated binding authority to the representative.

History: Add. 1994, Act 226, Imd. Eff. June 27, 1994

Popular Name: Act 218