

(III) AN INDEPENDENT CASUALTY ACTUARY, OR SUCH OTHER INDEPENDENT LOSS RESERVE SPECIALIST ACCEPTABLE TO THE COMMISSIONER.

(B) (1) A REINSURANCE INTERMEDIARY WHICH HAS CONTROL OF AN ASSUMING INSURER MAY NOT, DIRECTLY OR INDIRECTLY, PLACE BUSINESS WITH SUCH INSURER IN ANY TRANSACTION IN WHICH THE REINSURANCE INTERMEDIARY IS ACTING AS A BROKER ON BEHALF OF THE CEDING INSURER.

(2) A REINSURANCE INTERMEDIARY WHICH HAS CONTROL OF A CEDING INSURER MAY NOT, DIRECTLY OR INDIRECTLY, ACCEPT BUSINESS FROM THAT INSURER IN ANY TRANSACTION IN WHICH THE REINSURANCE INTERMEDIARY IS ACTING AS A BROKER ON BEHALF OF THE ASSUMING INSURER.

(3) THE PROHIBITIONS CONTAINED IN THIS SUBSECTION ~~(B)~~ DO NOT APPLY TO A REINSURANCE INTERMEDIARY WHICH MAKES A FULL AND COMPLETE WRITTEN DISCLOSURE TO THE PARTIES OF ITS RELATIONSHIP WITH THE ASSUMING OR CEDING INSURER PRIOR TO COMPLETION OF THE TRANSACTION.

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(A) (1) IF THE COMMISSIONER HAS REASON TO BELIEVE THAT A CONTROLLING BROKER HAS COMMITTED OR IS COMMITTING AN ACT IN VIOLATION OF THIS SUBTITLE, ~~HE~~ THE COMMISSIONER SHALL SERVE UPON THE CONTROLLING BROKER A STATEMENT OF THE CHARGES AND NOTICE OF A HEARING TO BE CONDUCTED PURSUANT TO §§ 35 THROUGH 39 OF THIS ARTICLE.

(2) AN ORDER OF THE COMMISSIONER SHALL BE SUBJECT TO JUDICIAL REVIEW PURSUANT TO § 40 OF THIS ARTICLE.

(3) THE CONTROLLING BROKER SHALL REIMBURSE THE PROPERTY AND CASUALTY INSURANCE GUARANTY CORPORATION FOR ANY PAYMENTS MADE BY THE PROPERTY AND CASUALTY INSURANCE GUARANTY CORPORATION FOR LOSSES, LOSS ADJUSTMENT, AND ADMINISTRATIVE EXPENSES ON THE BUSINESS PLACED BY THE BROKER IN EXCESS OF GROSS EARNED PREMIUMS AND INVESTMENT INCOME EARNED ON PREMIUMS AND LOSS RESERVES FOR SUCH BUSINESS IF THE COMMISSIONER FINDS THAT:

(I) THE CONTROLLING BROKER COMMITTED A VIOLATION OF THIS SUBTITLE; AND

(II) THE VIOLATION SUBSTANTIALLY CONTRIBUTED TO THE INSOLVENCY OF THE CONTROLLED INSURER.