



JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA
MAY 12, 1995

P.O. Box 34214
Baton Rouge, Louisiana 70804-0214
504/386-5300

DIRECTIVE NO. 127

TO: ALL INSURERS DOING BUSINESS IN LOUISIANA
RE: MANAGING GENERAL AGENTS

LOUISIANA REVISED STATUTES 22:1202(D)(1) STATES THE FOLLOWING:

"D. (1) "MANAGING GENERAL AGENT" (MGA) MEANS ANY PERSON, FIRM, ASSOCIATION, OR CORPORATION WHO MANAGES ALL OR PART OF THE INSURANCE BUSINESS OF AN INSURER, INCLUDING THE MANAGEMENT OF A SEPARATE DIVISION, DEPARTMENT, OR UNDERWRITING OFFICE, AND ACTS AS AN AGENT FOR SUCH INSURER WHETHER KNOWN AS A MANAGING GENERAL AGENT, MANAGER, OR OTHER SIMILAR TERM, WHO, WITH OR WITHOUT THE AUTHORITY, EITHER SEPARATELY OR TOGETHER WITH AFFILIATES, PRODUCES, DIRECTLY OR INDIRECTLY, AND UNDERWRITES AN AMOUNT OF GROSS DIRECT WRITTEN PREMIUM EQUAL TO OR MORE THAN FIVE PERCENT OF THE POLICYHOLDER SURPLUS AS REPORTED IN THE LAST ANNUAL STATEMENT OF THE INSURER IN ANY ONE QUARTER OR YEAR TOGETHER WITH ONE OR MORE OF THE FOLLOWING:

(a) ADJUSTS OR PAYS CLAIMS IN EXCESS OF AN AMOUNT DETERMINED BY THE COMMISSIONER; OR

(b) NEGOTIATES REINSURANCE ON BEHALF OF THE INSURER."

THE PURPOSE OF THIS DIRECTIVE IS TO MAKE THE DETERMINATION OF THE AMOUNT OF CLAIMS REQUIRED BY R.S.22:1202(D)(1)(a) QUOTED ABOVE.

THEREFORE, I ORDER AND DIRECT THAT:

A MANAGING GENERAL AGENT IS ANYONE DESCRIBED IN R.S.22:1202(D)(1)(a) ABOVE WHO ADJUSTS OR PAYS CLAIMS FOR AN INSURER IN AN AMOUNT OF TEN THOUSAND DOLLARS (\$10,000.00) OR MORE.

JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE