

§ 58-34-5. Retrospective compensation agreements.

(a) Retrospective compensation agreements for business written under Articles 1 through 64 of this Chapter must be filed with the Commissioner for his approval.

(b) "Retrospective compensation agreement" means any such arrangement, agreement, or contract having as its purpose the actual or constructive retention by a domestic insurer of a fixed proportion of the gross premiums, with the balance of the premiums, retained actually or constructively by the agent or the producer of the business, who assumes to pay therefrom all losses, all subordinate commissions, loss adjustment expenses and his profit, if any, with other provisions of such arrangement, agreement, or contract auxiliary or incidental to such purpose.

(c) The standards for approval shall be as set forth under G.S. 58-34-2(d)(5). (1987, c. 752, s. 8; 1989, c. 485, s. 60; 1991, c. 681, s. 52.)