

precise nature and details of the transactions, INCLUDING SUCH ACCOUNTING INFORMATION AS IS NECESSARY TO SUPPORT THE REASONABLENESS OF THE CHARGES OR FEES TO THE RESPECTIVE PARTIES; [and]

(3) The insurer's assets and surplus as regards policyholders following any such transactions including dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs;

(4) CHARGES OR FEES FOR SERVICES PERFORMED SHALL BE REASONABLE; AND

(5) EXPENSES INCURRED AND PAYMENT RECEIVED SHALL BE ALLOCATED TO THE INSURER IN CONFORMITY WITH CUSTOMARY INSURANCE ACCOUNTING PRACTICES CONSISTENTLY APPLIED.

(b) For purposes of this subtitle, in determining whether an insurer's assets and surplus as regards policyholders are reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, shall be considered:

(1) The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force and other appropriate criteria;

(2) The extent to which the insurer's business is diversified among the several lines of insurance;

(3) The number and size of risks insured in each line of business;

(4) The extent of the geographical dispersion of the insurer's insured risks;

(5) The nature and extent of reinsurance of the insurer's risks;

(6) The quality, diversification, and liquidity of the insurer's investment portfolio;

(7) The recent past and projected future trends in the size of the insurer's surplus as regards policyholders;

(8) The surplus as regards policyholders maintained by other, comparable insurers;

(9) The financial position of the insurer in the light of investments in and other transactions with affiliated persons.

(C) THE FOLLOWING TRANSACTIONS INVOLVING A DOMESTIC INSURER AND ANY PERSON IN ITS HOLDING COMPANY SYSTEM MAY NOT BE ENTERED