

(3) THE REINSURANCE MANAGER SHALL HOLD IN A FIDUCIARY CAPACITY ALL FUNDS COLLECTED FOR THE ACCOUNT OF THE REINSURER IN A QUALIFIED FINANCIAL INSTITUTION;

(4) THE REINSURANCE MANAGER MAY NOT RETAIN FOR MORE THAN 3 MONTHS ESTIMATED CLAIMS PAYMENTS AND ALLOCATED LOSS ADJUSTMENT EXPENSES;

(5) THE REINSURANCE MANAGER SHALL KEEP A SEPARATE BANK ACCOUNT FOR EACH REINSURER THAT THE REINSURANCE MANAGER REPRESENTS;

(6) THE REINSURER SHALL HAVE REASONABLE ACCESS TO AND A RIGHT TO COPY ALL ACCOUNTS AND RECORDS MAINTAINED BY THE REINSURANCE MANAGER CONCERNING ITS BUSINESS TRANSACTIONS WITH THE REINSURER IN A FORM USABLE BY THE REINSURER;

(7) THE REINSURANCE MANAGER SHALL COMPLY WITH THE WRITTEN UNDERWRITING AND RATING STANDARDS ESTABLISHED BY THE AUTHORIZED INSURER FOR THE ACCEPTANCE, REJECTION, OR CESSION OF ALL RISKS;

(8) THE NOTES, TERMS, AND PURPOSES OF COMMISSIONS, CHARGES, AND OTHER FEES THAT THE REINSURANCE MANAGER MAY IMPOSE AGAINST THE REINSURER ARE SET OUT;

(9) THE REINSURANCE MANAGER SHALL PROVIDE ANNUALLY TO THE REINSURER A STATEMENT OF ITS FINANCIAL CONDITION PREPARED BY AN INDEPENDENT CERTIFIED ACCOUNTANT; AND

(10) THE REINSURANCE MANAGER SHALL DISCLOSE TO THE REINSURER ANY RELATIONSHIP IT HAS WITH ANY AUTHORIZED INSURER BEFORE CEDING OR ASSUMING ANY BUSINESS WITH THE AUTHORIZED INSURER IN ACCORDANCE WITH THE REINSURANCE CONTRACT.

(D) IN ALL CASES IN WHICH THE CONTRACT PERMITS THE REINSURANCE MANAGER TO SETTLE CLAIMS ON BEHALF OF THE REINSURER:

(1) ALL CLAIMS SHALL BE REPORTED TO THE REINSURER IN A TIMELY MANNER.

(2) THE REINSURANCE MANAGER SHALL PROVIDE THE REINSURER WITH A COPY OF ANY CLAIM FILE THAT:

(I) IS REQUESTED BY THE REINSURER;

(II) INVOLVES A COVERAGE DISPUTE;

(III) MAY EXCEED THE REINSURANCE MANAGER'S SETTLEMENT AUTHORITY;

(IV) HAS THE POTENTIAL OF EXCEEDING THE LESSER OF AN AMOUNT DETERMINED BY THE COMMISSIONER OR A LIMIT SET BY THE REINSURER;