

AT LEAST 30 DAYS BEFORE A REINSURER ASSUMES OR CEDES BUSINESS THROUGH A REINSURANCE MANAGER, A COPY OF THE CONTRACT REQUIRED UNDER THIS SECTION SHALL BE FILED WITH THE COMMISSIONER FOR APPROVAL.

(C) CONTENTS.

THE CONTRACT REQUIRED BY THIS SECTION:

(1) SHALL STATE THE RATES, TERMS, AND PURPOSES OF COMMISSIONS, CHARGES, AND OTHER FEES THAT THE REINSURANCE MANAGER MAY IMPOSE AGAINST THE REINSURER; AND

(2) SHALL PROVIDE THAT:

(I) THE REINSURER SHALL HAVE REASONABLE ACCESS TO AND THE RIGHT TO COPY ALL ACCOUNTS AND RECORDS MAINTAINED BY THE REINSURANCE MANAGER THAT RELATE TO BUSINESS TRANSACTIONS WITH THE REINSURER;

(II) THE REINSURANCE MANAGER SHALL MAINTAIN ACCOUNTS AND RECORDS IN A FORM USABLE BY THE REINSURER;

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

(IV) THE REINSURER MAY:

1. TERMINATE THE CONTRACT FOR CAUSE ON WRITTEN NOTICE TO THE REINSURANCE MANAGER; AND

2. SUSPEND IMMEDIATELY THE AUTHORITY OF THE REINSURANCE MANAGER TO ASSUME OR CEDE BUSINESS DURING THE PENDENCY OF A DISPUTE ABOUT THE TERMINATION OF THE CONTRACT; AND

(V) THE REINSURANCE MANAGER SHALL:

1. RENDER ACCOUNTS TO THE REINSURER DETAILING ALL MATERIAL TRANSACTIONS, INCLUDING INFORMATION NECESSARY TO SUPPORT THE COMMISSIONS, CHARGES, AND OTHER FEES RECEIVED BY OR OWED TO THE REINSURANCE MANAGER;

2. REMIT TO THE REINSURER AT LEAST MONTHLY ALL FUNDS DUE UNDER THE CONTRACT;

3. HOLD IN A FIDUCIARY CAPACITY IN A QUALIFIED FINANCIAL INSTITUTION ALL FUNDS COLLECTED FOR THE ACCOUNT OF THE REINSURER;

4. KEEP A SEPARATE BANK ACCOUNT FOR EACH REINSURER THAT THE REINSURANCE MANAGER REPRESENTS;