

5. COMPLY WITH THE WRITTEN UNDERWRITING AND RATING STANDARDS ESTABLISHED BY THE AUTHORIZED INSURER FOR THE ACCEPTANCE, REJECTION, OR CESSION OF ALL RISKS;

6. PROVIDE ANNUALLY TO THE REINSURER A STATEMENT OF THE REINSURANCE MANAGER'S FINANCIAL CONDITION PREPARED BY AN INDEPENDENT CERTIFIED ACCOUNTANT; AND

7. DISCLOSE TO THE REINSURER ANY RELATIONSHIP OF THE REINSURANCE MANAGER WITH AN AUTHORIZED INSURER BEFORE CEDING OR ASSUMING BUSINESS WITH THE AUTHORIZED INSURER IN ACCORDANCE WITH THE REINSURANCE CONTRACT.

(D) SETTLEMENT OF CLAIMS.

(1) IF THE CONTRACT REQUIRED BY THIS SECTION ALLOWS THE REINSURANCE MANAGER TO SETTLE CLAIMS FOR THE REINSURER:

(I) ALL CLAIMS SHALL BE REPORTED TO THE REINSURER IN A TIMELY MANNER;

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

1. IS REQUESTED BY THE REINSURER;
2. INVOLVES A COVERAGE DISPUTE;
3. MAY EXCEED THE REINSURANCE MANAGER'S SETTLEMENT AUTHORITY;
4. REMAINS OPEN FOR MORE THAN 6 MONTHS AFTER THE DATE THE REINSURANCE MANAGER RECEIVES THE CLAIM;
5. HAS THE POTENTIAL TO EXCEED THE LESSER OF AN AMOUNT DETERMINED BY THE COMMISSIONER OR A LIMIT SET BY THE REINSURER; OR
6. IS CLOSED BY PAYMENT OF THE LESSER OF THE AMOUNT DETERMINED BY THE COMMISSIONER OR THE LIMIT SET BY THE REINSURER;

(III) 1. THE SETTLEMENT AUTHORITY GRANTED TO A REINSURANCE MANAGER UNDER THE CONTRACT MAY BE TERMINATED FOR CAUSE ON 30 DAYS' NOTICE FROM THE REINSURER TO THE REINSURANCE MANAGER OR ON TERMINATION OF THE CONTRACT; AND

2. THE REINSURER MAY SUSPEND THE SETTLEMENT AUTHORITY OF THE REINSURANCE MANAGER DURING THE PENDENCY OF A DISPUTE ABOUT THE CAUSE FOR TERMINATION;

(IV) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, ALL CLAIM FILES ARE JOINT PROPERTY OF THE REINSURER AND REINSURANCE MANAGER; AND