

(4) IN ADDITION TO ANY OTHER REQUIRED LOSS RESERVE CERTIFICATION, THE CONTROLLED INSURER ON APRIL 1 OF EACH YEAR FILES WITH THE COMMISSIONER AN OPINION OF AN INDEPENDENT CASUALTY ACTUARY, OR SUCH OTHER INDEPENDENT LOSS RESERVE SPECIALIST ACCEPTABLE TO THE COMMISSIONER, REPORTING LOSS RATIOS FOR EACH LINE OF BUSINESS WRITTEN AND ATTESTING TO THE ADEQUACY OF LOSS RESERVES ESTABLISHED FOR LOSSES INCURRED AND OUTSTANDING AS OF YEAR END (INCLUDING INCURRED BUT NOT REPORTED) ON BUSINESS PLACED BY THE BROKER;

(5) THE CONTROLLED INSURER ANNUALLY REPORTS TO THE COMMISSIONER:

(I) THE AMOUNT OF COMMISSION IS IT PAID TO THE BROKER;

(II) THE PERCENTAGE THAT AMOUNT REPRESENTS OF THE NET PREMIUMS WRITTEN; AND

(III) COMPARABLE AMOUNTS AND PERCENTAGE PERCENTAGES PAID TO NONCONTROLLING BROKERS FOR PLACEMENT OF THE SAME KINDS OF INSURANCE; AND

(6) ~~A CONTROLLED INSURER SHALL HAVE THE CONTROLLED~~ INSURED HAS AN AUDIT COMMITTEE OF THE BOARD OF DIRECTORS COMPOSED OF INDEPENDENT DIRECTORS. PRIOR TO APPROVAL OF THE ANNUAL FINANCIAL STATEMENT, THE AUDIT COMMITTEE SHALL MEET TO REVIEW THE ADEQUACY OF THE INSURER'S LOSS RESERVES WITH:

(I) MANAGEMENT;

(II) THE INSURER'S INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS; AND

(III) AN INDEPENDENT CASUALTY ACTUARY, OR SUCH OTHER INDEPENDENT LOSS RESERVE SPECIALIST ACCEPTABLE TO THE COMMISSIONER.

(B) (1) ~~A REINSURANCE INTERMEDIARY WHICH HAS CONTROL OF AN ASSUMING INSURER MAY NOT, DIRECTLY OR INDIRECTLY, PLACE BUSINESS WITH SUCH INSURER IN ANY TRANSACTION IN WHICH THE REINSURANCE INTERMEDIARY IS ACTING AS A BROKER ON BEHALF OF THE CEDING INSURER.~~

(2) A REINSURANCE INTERMEDIARY WHICH HAS CONTROL OF A CEDING INSURER MAY NOT, DIRECTLY OR INDIRECTLY, ACCEPT BUSINESS FROM THAT INSURER IN ANY TRANSACTION IN WHICH THE REINSURANCE INTERMEDIARY IS ACTING AS A BROKER ON BEHALF OF THE ASSUMING INSURER.