

## Article - Insurance

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§7-702.

Each transaction within an insurance holding company system to which an insurer subject to registration under Subtitle 6 of this title is a party is subject to the following standards:

(1) the terms shall be fair and reasonable in light of the purposes of this title;

(2) the records of each party shall clearly and accurately disclose the precise nature and details of the transaction, including accounting information necessary to support the reasonableness of the charges or fees to the parties;

(3) after the transaction, including any dividend or distribution to shareholder affiliates, the insurer has assets and surplus as regards policyholders that:

(i) bear a reasonable relation to the insurer's outstanding liabilities;  
and

(ii) are adequate to meet the insurer's financial needs;

(4) charges or fees for services performed shall be reasonable;

(5) expenses incurred and payments received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied; and

(6) agreements, including management agreements, service contracts, tax allocation agreements, or cost-sharing agreements, shall include the provisions that the Commissioner requires by regulation.

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