

Consolidated Tax Agreements should have the following:

- (1) The identity of each of the parties to the consolidation should be disclosed.
- (2) The effective period of the consolidation should be disclosed.
- (3) The responsibilities of each party to the consolidation should be disclosed.
- (4) The method of accounting adopted for the consolidation should be disclosed.
- (5) The methods used for consolidation under Section 1.1552-1(a) and Section 1.1502-33(d)(2) of the Federal Tax regulations and any adjustments to such methods should be disclosed.
- (6) The methods used for interim and final payments and settlements should be fully disclosed. The disclosure should include (i) the use of any billings or reports, (ii) the time requirements for payments and settlements, and (iii) the type of assets used for payments and settlements.
- (7) A representation should be evidenced as to the allocation of tax liability that:
 - (a) The allocated tax liability for the Insurer will not be greater than the tax liability it would have incurred if it had been filing separate returns for all years of the consolidation period or its pro rata share of the consolidated tax liability, which ever is lesser; and
 - (b) The allocated tax refund for the Insurer will not be less than the tax refund it would have incurred if it had been filing separate returns for all years of the consolidation period.

A representation should be evidenced that immediately after filing the consolidated return or any amendment (within 60 days) an additional review and adjustment will be made to insure that the aforementioned conditions are met.
- (8) A representation should be evidenced that the Insurer will be adequately indemnified by its affiliates in the event the Internal Revenue Service levies upon the Insurer's assets for penalty, interest, or unpaid taxes in excess of the amount specified in Item (7) above.
- (9) A representative should be evidenced that records of the IRS allocations and the subsequent review and any adjustments specified by (7) above will be maintained at the insurer's home office for examination.