TEXAS DEPARTMENT OF INSURANCE
Financial Regulation Division - Financial Analysis Section (303-1A)
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MANAGEMENT/SERVICE/COST SHARING/TAX-ALLOCATION/RENTAL/LEASE AGREEMENT REVIEW CHECKLIST

INSURER:

Required provisions, per Tex. Adm. Code § 7.204(a)(2)(D)

		Yes	No	Location of Provision
1.	Does the agreement clearly identify the person providing services and the nature of the services? List and explain the role(s) of the identified parties.	○	○	
2.	Does the agreement set forth the methods to allocate costs based on the equitable standard of Tex. Ins. Code §823.101(e) in conformity with customary insurance accounting principles consistently applied? Explain/identify.	○	○	
3.	Does the agreement require timely settlement at least every 90 days with a specified due date in compliance with the requirements in the Accounting Practices and Procedures Manual published by the National Association of Insurance Commissioners?	○	○	
4.	Does the agreement prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement?	○	○	
5.	Does the agreement state that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance?	○	○	
6.	Does the agreement define books and records of the insurer to include all books and records developed or maintained under or related to the agreement?	○	○	
7.	Does the agreement specify that all books and records of the insurer are and remain the property of the insurer and are subject to control of the insurer?	○	○	
8.	Does the agreement state that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer?	○	○	

		Yes	No	Location of Provision
9.	Does the agreement include standards for termination of the agreement with and without cause?	○	○	
10.	Does the agreement include indemnifying the insurer in the event of gross negligence or willful misconduct by the affiliate providing the services?	○	○	
11.	Does the agreement specify that, if the insurer is placed in receivership or seized by the commissioner under Tex. Ins. Code Chapter 443 (*or applicable State Receivership Act if commercially domiciled*):			
	a. all of the rights of the insurer under the agreement extend to the receiver or commissioner AND	○	○	
	b. all books and records will immediately be made available to the receiver or the commissioner and must be turned over to the receiver or commissioner immediately upon the receiver or the commissioner's request?	○	○	
12.	Does the agreement specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership pursuant to Tex. Ins. Code Chapter 443 (*or applicable State Receivership Act if commercially domiciled*)?	○	○	
13.	Does the agreement specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a seizure by the commissioner under Tex. Ins. Code Chapter 443 (*or applicable State Receivership Act if commercially domiciled*), and will make them available to the receiver, for so long as the affiliate continues to receive timely payment for services rendered?	○	○	