



ADMINISTRATIVE RULES OF MONTANA



6.6.3714 FILING OF FORM D--TRANSACTIONS SUBJECT TO PRIOR NOTICE

- (1) An insurer required to give notice of a proposed transaction pursuant to 33-2-1113, MCA, shall furnish the required information on Form D, which is made a part of these rules.
- (2) Agreements for cost sharing services and management services must at a minimum, and as applicable:
 - (a) identify the person providing services, and the nature of such services;
 - (b) set forth the methods to allocate costs;
 - (c) require timely settlement, not less frequently than on a quarterly basis, and in compliance with the requirements in the Accounting Practices and Procedures Manual;
 - (d) prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement;
 - (e) 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;
 - (f) define books and records of the insurer to include all books and records developed or maintained under or related to the agreement;
 - (g) 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;
 - (h) 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;
 - (i) include standards for termination of the agreement with and without cause;
 - (j) include provisions for indemnification of the insurer in the event of gross negligence, or willful misconduct on the part of the affiliate providing the services;
 - (k) specify that, if the insurer is placed in receivership or seized by the commissioner under the Insurers Supervision, Rehabilitation, and Liquidation Act:

- (i) all of the rights of the insurer under the agreement extend to the receiver or commissioner; and
- (ii) all books and records will immediately be made available to the receiver or commissioner, and shall be turned over to the receiver or commissioner immediately upon the receiver or the commissioner's request.
- (l) specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership pursuant to the Insurers Supervision, Rehabilitation, and Liquidation Act; and
- (m) specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a seizure by the commissioner under the Insurers Supervision, Rehabilitation, and Liquidation Act, and will make them available to the receiver, for so long as the affiliate continues to receive timely payment for services rendered.

Authorizing statute(s): 33-1-313, 33-2-1517, MCA

Implementing statute(s): 33-2-1113, 33-2-1517, MCA

History: NEW, 1993 MAR p. 2408, Eff. 10/15/93; AMD, 2014 MAR p. 501, Eff. 3/14/14.