



26 | and reasonable, the office shall consider, at a minimum, the  
27 | following:

28 |     1. The actual cost of each service provided by an  
29 | affiliate;

30 |     2. The cost of that service, if provided by a  
31 | nonaffiliate;

32 |     3. The relative financial condition of the insurer and of  
33 | the managing general agent;

34 |     4. The level of holding company debt and how that debt is  
35 | served;

36 |     5. The amount of dividends paid by the managing general  
37 | agent and for what purpose; and

38 |     6. Whether the terms of the written contract benefit the  
39 | insurer and are in the best interest of policyholders.

40 |     (b) For each agreement with an affiliate in force on July  
41 | 1, 2024, each insurer shall provide to the office no later than  
42 | October 1, 2024, the cost incurred by the affiliate to provide  
43 | each service, the amount charged to the insurer for each  
44 | service, and the dollar amount of fees forgiven, waived, or  
45 | reimbursed by the affiliate for the two most recent preceding  
46 | years. If the total dollar amount charged to the insurer was  
47 | greater than the total cost to provide services for either year,  
48 | the insurer must explain how it determined the fee was fair and  
49 | reasonable. For any proposed contract with an affiliate  
50 | effective after July 1, 2024, the insurer may include a proposal

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51 for the same services by an unaffiliated third party to support  
52 that the fee, commission, or other financial consideration or  
53 payment to the affiliate is fair and reasonable ~~among other~~  
54 ~~things, the actual cost of the service being provided.~~

55 Section 2. This act shall take effect July 1, 2024.