

**NORTH CAROLINA DEPARTMENT OF INSURANCE
UNAFFILIATED MANAGEMENT & SERVICES AGREEMENT CHECKLIST**

Company Name: _____

Entity(ies) Providing the Service: _____

Relationship to the Company: _____

Insurer Functions (Check Applicable Functions Being Delegated)

- A. Claims Payment or Adjusting
- B. Underwriting
- C. Investment Advice or Servicing
- D. Tax Allocation (See Separate Checklist)
- E. Producer’s Commissions Computation or Payment
- F. Appointment and Cancellation of Agents
- G. Issuance of Policies and Endorsements
- H. Cancellation of Policies
- I. Collection and Handling of Premiums and Other Funds
- J. Facility Sharing
- K. Preparation of Financial Reports
- L. Advertising, Sales Promotion, and Agency Development
- M. Reserving for Claims and Expenses
- N. Others (Specify):

General Provisions:

The following must be addressed in every agreement.
(Column 1 must be completed by the Company.)

**Column 1
Agreement
References**

1. Effective date of the agreement. _____
2. There is no transfer of substantial control of the insurer or any of the powers vested in the board of directors, by statute, articles of incorporation, or bylaws, or substantially all of the basic functions of the insurer’s management. _____
3. The service provider’s books and records, as they pertain to the agreement, are available for audit and review by the Commissioner of Insurance. _____
4. The assignment of authority under the agreement is not allowed without the express written approval of each party. (Note: If the service provider is acting as a managing general agent as defined in G.S. 58-34-2(a)(3), authority is not allowed to be assigned in whole or in part pursuant to G.S. 58-34-2(d)(5).) _____
5. Prior notice shall be given to the Commissioner for the assignment of authority under the agreement. _____

- 6. Prior approval of the Commissioner shall be obtained for any amendments to the agreement. _____
- 7. Standards for cancellation of the agreement by either party. _____
- 8. A description of when the amounts due are to be settled. (Settlement shall occur no less frequently than quarterly and shall comply with the requirements in the NAIC Accounting Practices and Procedures Manual.) _____
- 9. The amount of any fees associated with the agreement and the method for any cost allocation. _____
 - a. Provide supporting documentation for the fairness and reasonableness of any fees. _____
- 10. That it is subject to the laws of North Carolina. _____

Specific Provisions:

The following provisions must be included in the agreement if (a) the specific function identified below is delegated to another entity or (b) the service provider meets the definition of a specific entity type.

- 1. Collection and Handling of Premiums and Other Funds: Any premiums or other funds that are collected must be held in a fiduciary capacity and paid over to the insurer within 30 days following collection. _____
- 2. Investment Advice and Servicing: The agreement shall specifically set forth Investment Guidelines under which the insurer has directed the investment manager/advisor to act on its behalf. The agreement shall provide that the investment manager/advisor will adhere to specific investment guidelines set by the insurer, which will comply with North Carolina investment laws, and that the insurer may change those guidelines from time to time. _____
- 3. TPA Requirements: (For Life, Health & Annuity Business Only) In the event the service provider is acting as a third-party administrator as defined in G.S. 58-56-2(5), include all provisions required by G.S. 58-56-6 through G.S. 58-56-46. **(See Third-Party Administrator Agreement Provisions Checklist.)** _____
- 4. MGA Requirements: In the event the service provider is acting as a managing general agent as defined in G.S. 58-34-2(a)(3), include all provisions required by G.S. 58-34-2(d). _____

Other Items:

Except for health maintenance organizations (“HMOs”) and prepaid health plans (“PHPs”), the following additional information must be included with the submission of every agreement.

- 1. All information required by G.S. 58-34-10(b)(i)-(v). _____