



# TEXAS DEPARTMENT OF LICENSING & REGULATION

P.O. Box 12157 • Austin, Texas 78711-2157

[www.tdlr.texas.gov](http://www.tdlr.texas.gov)

## SERVICE CONTRACT PROVIDER TRANSITION FORM

THIS FORM MUST BE COMPLETED IF THE PROVIDER USED "FUNDED RESERVE" FINANCIAL SECURITY ON AUGUST 31, 2011

Name of Service Contract Provider as registered in Texas ("Provider")

TDLR Registration Number

### FINANCIAL SECURITY REQUIREMENTS

**Both A and B (Below) must be completed to identify SCP's Financial Security before and after the transition that was effective September 1, 2012.**

Check the appropriate box below to indicate the method used to meet the financial security requirements as described in Texas Occupations Code, §1304.151. All forms are located at [www.tdlr.texas.gov/scp/scpforms.htm](http://www.tdlr.texas.gov/scp/scpforms.htm). For more information, see the Frequently Asked Questions located at [www.tdlr.texas.gov/scp/scpfaq.htm](http://www.tdlr.texas.gov/scp/scpfaq.htm)

#### A. For contracts sold or issued ON or AFTER 09/01/2012:

Reimbursement insurance policy. Required attachments:

1. Complete copy of the current policy
2. Service Contract Provider Texas Endorsement
3. Copy of Texas Department of Insurance (TDI) approval letter for using the endorsement language;
4. Insurance company's most recent annual statement filed with NAIC
5. Insurance company's most recent audited financial statements
6. Insurance company's most recent Actuarial Certification

\$100 million minimum net worth.

1. Indicate the website where proof of most recent net worth is available: \_\_\_\_\_

List any access information required to view proof of net worth online: \_\_\_\_\_

**Or**

2. Attach most recent audited financial statements as required by Texas Occupations Code, §1304.151

Funded reserve account and financial security deposit must be accompanied by the provider's most recent Audited Financial Statements prepared by an Independent Certified Public Accountant. A Financial Security Deposit must be used in conjunction with a Funded Reserve Account. Indicate which of the 3 types of security deposit below you have placed in trust with TDLR's Executive Director. Minimum amount of security deposit is \$250,000.

Letter of Credit

Certificates of Deposits

Deposits of Cash with TDLR Director

To document the funds in the funded reserve account:

1. Download and complete the FUNDED RESERVE CALCULATION FORM (FORM #012).
2. Attach the first page of the most recent Funded Reserve account statement and documentation for the Financial Security Deposit.

No longer selling service contracts in Texas as of \_\_\_\_\_  
(Provide date last contract sold)

#### B. For contracts sold or issued BEFORE 09/01/2012:

A Financial Security Deposit must be used in conjunction with Funded Reserve Account. Indicate which of the 5 types of security deposit below you have placed in trust with TDLR's Executive Director. Minimum amount of Security Deposit is \$25,000.

Letter of Credit

Certificates of Deposit (CD)

Deposit of Cash with TDLR Director

Surety Bond

Assignment of Deposited Securities

To document the funds in the funded reserve account:

1. Download and complete the FUNDED RESERVE CALCULATION FORM (FORM #012).
2. Attach the first page of the most recent Funded Reserve account statement and documentation for the Financial Security Deposit.

**SEND YOUR COMPLETED APPLICATION AND REQUIRED DOCUMENTS TO:**

Texas Department of Licensing and Regulation  
P.O. Box 12157  
Austin, TX 78711-2157

Documents submitted with your application will not be returned. Keep a copy of your completed application, all attachments, and your check or money order. Do not send cash.

For additional information and questions, please visit the Texas Department of Licensing & Regulation website at <https://www.tdlr.texas.gov> or reach Customer Service via webform where you can submit your request for assistance and include attachments needed at <https://www.tdlr.texas.gov/help> or (800) 803-9202 [in state only], (512) 463-6599, Relay Texas-TDD: (800) 735-2989 or Fax: (512) 463-9468. Customer Service Representatives are available Monday through Friday 7:00 a.m. until 6:00 p.m. Central Time (excluding holidays).