



APPLICATION FOR LICENSE

SERVICE WARRANTY ASSOCIATION MANUFACTURER OR AFFILIATE

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation (Office).

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select Insurance Regulation Filing System (IRFS) to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet may be directed to pcappcoord@floir.com.

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INSTRUCTIONS

SECTION I - APPLICATION FEE AND FORMS

Section I-1 Application Fee

Applicants must pay a license fee of \$500 U.S. Dollars ("USD"), pursuant to Section 634.404(6)(b)(3), Florida Statutes. This fee is due at the time the application packet is filed and is not refundable.

Section I-2 Application Checklist & Certification

Applicant should fill out and return pages 9-12 with its application.

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SECTION II - LEGAL

Section II-1 Articles of Incorporation

Submit a copy of Applicant's Articles of Incorporation, or equivalent document, complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile.

Section II-2 Certificate of Status from State of Domicile

If Applicant is not a Florida domestic company, submit a certificate of status from the domiciliary jurisdiction dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

Section II-3 Certificate of Status from Florida

Submit a certificate of status from the Florida Secretary of State dated within the last year.

Section II-4 Company Bylaws

Submit a copy of Applicant's Bylaws, or equivalent document. This document should be certified by Applicant's Secretary as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted.

Section II-5 Service of Process Consent and Agreement

Submit the executed Service of Process Consent and Agreement Form OIR-C1-144. No signatures other than those of the President or Chief Executive Officer and the Secretary will be accepted.

Section II-6 Authorization Letter

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent the Applicant before the Office in this matter. This letter should be dated within the last year.

Section II-7 Fictitious Name Filing

If the organization plans to utilize a fictitious name, submit evidence of compliance with Section 865.09, Florida Statutes.

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SECTION III - FINANCIAL

Section III-1 Financial Statements

If a manufacturer, provide a copy of the most recent certified audited financial statements prepared by an independent certified public accountant in accordance with generally accepted accounting principles and evidencing a net worth of at least \$10,000,000 USD.

Section III-2 Financial Requirements

Applicant is required to furnish the following:

1. If a manufacturer, a copy of the applicant's debt rating made by a recognized National Rating Service, if any debt securities are outstanding.
2. If a manufacturer, a copy of the most recent Form 10K, Form 10Q, or Form 20G, as filed with the United States Securities and Exchange Commission.
3. Applicant must comply with one of the following two options:
 - (a) Supply the Office with a copy of an approved executed contractual liability insurance policy containing the provisions set forth in Section 634.406(3), Florida Statutes. The insurance company issuing the policy must be a Florida admitted property and casualty insurance company whose Certificate of Authority allows it to write this type of policy. Policies issued by Surplus Lines insurers are not acceptable; or
 - (b) Supply the Office with a sworn statement of Applicant's intentions to establish and maintain a 25% reserve as outlined by Section 634.406, Florida Statutes. If Applicant has service warranties on its books at the time of application, provide a list of the assets funding the reserve. Applicants choosing this option must also place a deposit with Bureau of Collateral Management (see instructions in III-3 below) equal to 10% of the gross written premium of all warranty contracts in force in Florida, pursuant to Sections 634.406(2) and 625.52, Florida Statutes.

Applicants who maintain, or whose parent company maintains, at all times a minimum net worth of \$100 million USD, and who otherwise comply with Section 634.406(7), Florida Statutes, are not required to establish an unearned premium reserve or maintain contractual liability insurance.

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Section III-3 Deposit

Pursuant to Section 634.405, Florida Statutes, Applicant must, prior to the issuance of a license, provide evidence of the appropriate deposit or security bond as below.

1. Warrantors:

- a.** If Applicant has \$300,000 USD or less in gross written premiums in Florida it shall place with the Bureau of Collateral Management a deposit of at least \$50,000 USD.
- b.** If Applicant has more than \$300,000 USD, but less than \$750,000 USD, in gross written premiums in Florida, it shall place with the Bureau of Collateral Management a deposit of at least \$75,000 USD.
- c.** If Applicant has \$750,000 USD or more in gross written premiums in Florida it shall place with the Bureau of Collateral Management a deposit of at least \$100,000 USD.

2. Warranty Sellers:

- a.** A securities deposit of \$100,000 USD.

Pursuant to Section 634.405(2), Florida Statutes, and subject to the approval of the Office, a Service Warranty Association may file a surety bond issued by an authorized surety insurer in lieu of the deposits outlined above. See Form OIR-A3-455, Home or Service Warranty Association Surety Bond.

Deposits should be made in accordance with the provisions of Section 625.52, Florida Statutes. For information on how to make the required securities deposit, contact the Bureau of Collateral Management at (850) 413-3167, or:

Department of Financial Services
Bureau of Collateral Management
200 East Gaines Street
Tallahassee, FL 32399-0345

Applicants whose primary source of income is the sale of goods to the final consumer, derive more than 50% of their revenue through such sales, maintain a net worth of at least \$100 million USD, and otherwise comply with Section 634.405(7), Florida Statutes, are not subject to (1) and (2) above.

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Section III-4 Plan of Operations

It is important for the Office to have a clear understanding of the proposed operations of the specialty insurer and the goals it seeks to achieve. To fulfill this requirement, the plan of operations must consist of the following information:

- a. **History:** Applicant should prepare a brief history of the company since its incorporation. Indicate any changes of ownership or changes in operations. Indicate any actions taken by governmental agencies that have or had jurisdiction over the company.

In this section list all companies or individuals affiliated with the Applicant. If a company, indicate what its principal business is. In addition, provide a list of all d/b/a's, trade names, or fictitious names, plan or contract names, or any other name the general public may recognize.

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- b. **Organizational Chart:** Furnish complete organizational chart for Applicant fully disclosing the relationship between all entities in the organizational structure, including all parent, holding, and subsidiary entities, as well as any and all affiliated entities, and clearly stating all ownership percentages, if applicable.
- c. **Management:** Applicant should provide information regarding the service warranty experience of individuals in key areas of management and should outline specifically how each of the following will be handled: marketing, claims handling, accounting, and investments.
- d. **Products:** Applicant should give a description of each product it plans to market.
- e. **Marketing and Growth:** Applicant should furnish a plan of marketing including methods, rates, and commissions, projected growth pattern, and other pertinent information affecting marketing plans.

Section III-5 States Where Applicant is Currently Doing Business

Applicant should provide a list of states in which it conducts service warranty business.

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Section III-6 Financial Projections

Applicant should submit projected total premiums for the first three years of operation from the time of expected licensure. Submissions should include the underlying assumptions, the projected number of contracts sold, and the average premium under each type of contract. This information should be provided for Florida only, as well as separately for all business.

Section III-7 Qualifications

Provide the following information Clearly indicate which item is being responded to:

1. A list of the names of the products manufactured, built, assembled, constructed or produced under a product name wholly controlled by the applicant or an affiliate thereof.
2. A statement that the applicant has derived in its most recent fiscal year the majority of its revenues from products manufactured, built, assembled, constructed or produced under a product name wholly controlled by the applicant or an affiliate thereof.
3. A statement that warranty contracts are and will only be sold for products manufactured, built, assembled, constructed or produced under a product name wholly controlled by the applicant or an affiliate thereof.
4. A statement that the required warranty register is maintained.
5. The total amount of the gross written premiums in force, wherever written, for warranties written in other states.
6. A statement that the applicant's stock is traded on a recognized stock exchange or is listed in NASDAQ and publicly traded on the over-the-counter securities markets.

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SECTION IV - MANAGEMENT

Section IV-1 Alphabetical List of Management

Provide an alphabetical list of the names of each member of the Board of Directors and the Managing Executive Officer. Include the business address for each named individual.

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CHECKLIST

Applicant Name: _____

Federal Identification Number ("FEIN"): _____

Home Office Address: _____
(Street Address) (City) (State) (Zip Code)

Phone Number: _____

Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.

SECTION I - APPLICATION FEE

- 1. Application fee paid
- 2. Application checklist and certification.

SECTION II – LEGAL

- 1. Articles of Incorporation (or equivalent)
 - a. Certified by public official
- 2. Certificate of Status from Domiciliary Jurisdiction (if applicable)
- 3. Certificate of Status from Florida
- 4. Company Bylaws (or equivalent)
 - a. Certified by Secretary
- 5. Service of Process Consent and Agreement Form OIR-C1-144
- 6. Authorization Letter (if applicable)
- 7. Fictitious Name Filing (if applicable)

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CHECKLIST

SECTION III – FINANCIAL

1. Financial Statements

- a. Balance Sheet
- b. Income Statement
- c. Statement of Cash Flows
- d. Certified by 2 Officers
- e. Not more than 12 months old
- f. Provided for Parent (as applicable)

2. Financial Requirements

- a. Copy of Applicant's Debt Rating (if applicable)
- b. Copy of most recent Form 10k, 10Q, or 20G (if applicable)
- c. Executed Contractual Liability Policy, or
- d. A sworn statement to establish and maintain an unearned premium reserve
 - i. List of assets funding the reserve (if applicable)

3. Securities Deposit

- a. Appropriate security deposit (see page 5); or
- b. Surety Bond
 - i. OIR-A3-455, Home or Service Warranty Association Surety Bond

4. Plan of Operations

- a. History
- b. Organizational Chart
- c. Management
- d. Products
- e. Marketing and Growth

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- 5. List of states where Applicant and affiliates are currently doing business
- 6. Financial Projections for 3 years
 - a. Florida
 - b. Nationwide
- 7. Qualifications
 - a. Product lists
 - b. Statement regarding revenue sources
 - c. Statement regarding warranty contracts
 - d. Statement regarding warranty register
 - e. Total gross written premiums in force
 - f. Statement regarding stock market

SECTION IV – MANAGEMENT

- 1. Alphabetical list of names and addresses of board of director members and managing executive officer

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APPLICATION CERTIFICATION

The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary*.

The undersigned state that they are officers having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to seek licensure as a Service Warranty Association Manufacturer or Affiliate; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represent that they have the authority to bind the Applicant, and that by their signatures on the instrument the Applicant has executed the instrument.

The undersigned understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: _____

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

*Other officers will be accepted only if the applicant does not have these positions.