



## **APPLICATION FOR LICENSE SERVICE WARRANTY ASSOCIATION**

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](mailto:pcappcoord@floir.com).

# **APPLICATION FOR LICENSE SERVICE WARRANTY ASSOCIATION**

## **INSTRUCTIONS**

### **SECTION I - APPLICATION FEES**

#### **Section I-1          Application Fee**

Applicants must pay a license fee of \$200 U.S. Dollars ("USD"), pursuant to Section 634.407(3)(c), Florida Statutes. This fee is due at the time the application packet is filed and is not refundable.

#### **Section I-2          Fingerprint Fees**

Applicants are required to pay a fee directly to the vendor for the processing of the fingerprint cards as required in Section IV-4.

#### **Section I-3          Application Checklist and Certification**

Applicants should have pages 10-13 completed and filed with the 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**

There are two types of Service Warranty Associations:

1. Warrantor: a company which derives less than 50% of its gross income from the sale of service warranties. An Applicant Warrantor must provide the most recent financial statement reflecting minimum net assets of \$25,000 USD, and contain a balance sheet, income statement, and statement of cash flows. These statements should be certified as true and correct by two officers and may not be more than 12 months old. Applicant should also submit the same for its immediate parent.

or

2. Warranty Seller: a company which derives more than 50% of its gross income from the sale of service warranties. An Applicant Warranty Seller must provide the most recent financial statement reflecting minimum net assets of \$300,000 USD, and should contain a balance sheet, income statement, and statement of cash flows. These statements should be certified as true and correct by two officers and may not be more than 12 months old. Applicant should also submit the same for its immediate parent.

### **Section III-2**      **Financial Requirements**

All service warranty associations are required to maintain reserves and ratios based on the gross written premiums in force written in this state. Applicant must provide the following information:

1. The amount of gross written premiums in force written in this state.
2. Satisfaction of the appropriate ratio of 1:7 of statutory net assets or net worth to the gross written premiums in force.
3. Applicant must also 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

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- 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.

### **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

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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.

Provide any names, trademark, or emblem which is distinctive and not similar to the name or trademark of any other association, corporation, or organization already doing business in this state as will tend to mislead or confuse the public, as required by Section 634.404 (3), Florida Statutes.

- 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      Alphabetical List of Proposed Sales Representatives**

Applicant should provide a list of its proposed sales representatives. It is understood that most applicants do not have a complete sales force in place; however, this information should be provided to the best of your ability.

Information on the licensing of sales representatives may be obtained from the Florida Department of Financial Services, Division of Agent & Agency Services, by calling 1-877-MY-FL-CFO (1-877-693-5236), or (850) 413-3089, if calling from out of state.

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## **SECTION IV – MANAGEMENT**

### **Section IV-1      Management Information Forms**

Submit Management Information Form OIR-C1-2221 fully describing Applicant's management, ownership, and all individuals or entities having direct or indirect control up to and including any 10% or greater interest holders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the First, Middle, and Last name of listed individuals. Please state if a middle name does not exist.

### **Section IV-2      Biographical Affidavits as to Officers, Directors, and Shareholders**

Each person listed in Section IV-1, must submit a complete Biographical Information Package.

The Biographical Information Package consists of the following forms:

- OIR-C1-1423, "Uniform Certificate of Authority Application (UCAA) Biographical Affidavit"
- OIR-C1-938, "Fingerprints and Social Security Number"
- OIR-C1-0500, "UCAA Biographical Affidavit Addendum Blank"
- OIR-C1-0501, "UCAA Biographical Affidavit Addendum Education"
- OIR-C1-0502, "UCAA Biographical Affidavit Addendum Employment"
- OIR-C1-0503, "UCAA Biographical Affidavit Addendum General"
- OIR-C1-0504, "UCAA Biographical Affidavit Addendum Licenses"
- OIR-C1-0505, "UCAA Biographical Affidavit Addendum Professional"
- OIR-C1-0506, "UCAA Biographical Affidavit Addendum Residence"
- OIR-C1-0507, "UCAA Biographical Affidavit Addendum Societies"
- OIR-C1-0509, "Uniform Certificate of Authority Application (UCAA) Biographical Affidavit Cover Letter Holding Company Structure"

Each person must complete forms OIR-C1-1423 and OIR-C1-938, as well as all additional forms that are applicable to that individual.

Each form must be signed, and form OIR-C1-1423 must be notarized.

All questions must be answered. All "Yes" answers must be explained.

Individuals who have previously submitted a Biographical Information Package to the Office may inquire with the Office to determine if the previous submission is recent enough to meet this requirement.

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### **Section IV-3      Background Investigative Report**

A background investigation report must be provided for each person required to provide a Biographical Information Package. These reports must be ordered from and submitted by a background investigation vendor directly to the Office at [bkgrnd-inv@flor.com](mailto:bkgrnd-inv@flor.com) who has been approved for use by the National Association of Insurance Commissioners. Submission should be in Microsoft Word format, with appropriate reference to the applicant in the subject of each transmittal e-mail.

Reports should be submitted prior to, or contemporaneously with, the submission of each application filing. The application will not be considered complete until all required background investigation reports are received. Attach proof of payment confirming that all background reports have been ordered when submitting the application.

A list of approved vendors can be found at <https://content.naic.org/industry-ucaa-third-party>. The applicant is responsible for the reports and for handling billing arrangements with the selected vendor. Questions regarding this process may be directed to [pcappcoord@flor.com](mailto:pcappcoord@flor.com) (Property and Casualty applicants).

### **Section IV-4      Fingerprinting and Social Security Number Submission**

Each person submitting a Biographical Information Package under Section IV-2 must also submit their fingerprints to the Office. Please refer to our website at [www.flor.com/home/company-admissions/fingerprint-instructions](http://www.flor.com/home/company-admissions/fingerprint-instructions) for specific instructions on the payment for and submission of fingerprints. Information about the uses and retention of fingerprints is included in form OIR-C1-938.

In addition, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from disclosure under Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution, and must be segregated on a separate page, which is included as part of form OIR-C1-938, which must be submitted as part of the Biographical Information Package.

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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 FORM & FEES

- ☐ 1. Application fee paid
- ☐ 2. All fingerprint fees paid electronically
  - ☐ a. Copies of online payment confirmation
- ☐ 3. 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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## 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 or b)

- ☐ a. Amount of gross written premium in this state.
- ☐ b. Acknowledgment of ratio requirement
- ☐ 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. Alphabetical List of Proposed Sales Representatives

### SECTION IV – MANAGEMENT

- ☐ 1. Management Information Form (OIR-C1-2221) submitted for all required
- ☐ 2. entities Biographical Information Package submitted for all required individuals
  - ☐ a. All information completed (no blanks)
  - ☐ b. "Yes" answers explained
  - ☐ c. Signed
  - ☐ d. Notarized
- ☐ 3. Background investigation reports for all required individuals. The reports must be based on the Biographical Information Packages submitted to the Office with this Application.
  - ☐ a. Proof of order and confirmation of payment submitted to the Office
- ☐ 4. A Fingerprints and Social Security Number form (Form OIR-C1-938) for each required individual.
  - ☐ a. All information completed (no blanks)
  - ☐ b. Fingerprints submitted for each individual required to file a Biographical Information Package

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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; 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.