



Florida Office of Insurance Regulation

**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 by selecting iApply – Online Company Admissions at the following link:

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

Any questions Applicants have concerning this application packet or iApply may be directed to Property and Casualty at pcappcoord@floir.com.

APPLICATION FOR LICENSE SERVICE WARRANTY ASSOCIATION

INSTRUCTIONS

SECTION I - APPLICATION FEES

Section I-1 **Application Fees**

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.

Secure your check to the Invoice on page 16 of this application and mail to:

Department of Financial Services
Bureau of Financial Services
Post Office Box 6100
Tallahassee, Florida 32314-6100

Include copies of the completed Invoice and check with your application filing submitted via iApply. This procedure will expedite the processing of your application and assure a timely recording of the fee payment.

Section I-II **Fingerprint Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

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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.

OIR-C1-997
Rev.: 3/21
Rule 690-198.011

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INSTRUCTIONS 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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Rule 69O-198.011

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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.

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Section III-5 States Where Applicant is Currently Doing Business

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

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

Provide a National Association of Insurance Commissioners ("NAIC") Biographical Affidavit (NAIC Form 11) (Form OIR-C1-1423) for each individual listed in Section IV-1. Applicant may omit individuals for those companies in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit with an associated background report on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit and associated background report need not be submitted for that individual.

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

Each Biographical Affidavit must be signed and notarized.

The affiant's social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency's duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office to insure that the owners, management, officers, and directors of any entity regulated by the Office are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

However, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution and must be segregated on a separate page. Therefore, please include the affiant's name and social security number on the separate page marked CONFIDENTIAL and provided in this packet and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

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Section IV-3 Background Investigative Report

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

The NAIC approved background investigation vendor list can be found at:

https://www.naic.org/documents/industry_ucaa_third_party.pdf

Section IV-4 Fingerprint Cards

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

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CHECKLIST

SECTION I - APPLICATION FORM & FEES

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.

- 1. Application fee paid
 - a. Copy of invoice included (page 16 of this form)
 - b. Copy of check
- 2. All fingerprint fees paid electronically
 - a. Copies of online payment confirmation

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CHECKLIST

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 **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

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CHECKLIST

SECTION IV – MANAGEMENT

- 1. Management Information (Form OIR-C1-2221) submitted for all required entities
- 2. Biographical affidavits (Form OIR-C1-1423) submitted for all required individuals
 - a. All information completed (no blanks)
 - b. "Yes" answers explained
 - c. Signed
 - d. Notarized
- 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
 - a. Proof of order and confirmation of payment submitted to the Office
- 4. Fingerprint cards for all required individuals
 - a. All information completed (no blanks)
 - b. Signed

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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.

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INVOICE

NAME OF COMPANY: _____

FEIN: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

PHONE NUMBER: _____

MAILING ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS ABOVE):

(city)

(state)

(zip code)

1. Make payable to the Department of Financial Services and mail check and invoice only to:

Department of Financial Services
 Bureau of Financial Services
 Post Office Box 6100
 Tallahassee, Florida 32314-6100

2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

FOR DEPARTMENT USE ONLY

RECEIPT NUMBER	AMOUNT	TYPE	CLASS	FUND	AMOUNT	SOURCE
	\$200.00	10	32L	3	00	2
LICENSE NUMBER	Dated			Mailed		
	MO	DAY	YR	MO	DAY	YR
						MAILED BY