

Iowa Service Company License Report (Chapter 523C)



Iowa Insurance Division Securities and Regulated Industries 1963 Bell Avenue, Suite 100 Des Moines, IA 50315-1000

A "Service Company" means a person who is contractually obligated to perform services pursuant to a service contract. Iowa Code Chapter 523C requires each service company to be licensed by filing this form and paying the fee no later than August 31st of each year.

For Period ending August 31, [] SBS Company Number (If assigned) []

Check the industry(ies) to be covered by this license and the fee: [] Initial License (\$500.00 Fee) [] License Renewal (\$500.00 Fee)

[] Motor Vehicle Service Company [] Residential Service Company

Legal Name of Service Company

DBA Name of Service Company

State of Incorporation Date of Incorporation

Federal Employer Identification Number (FEIN)

Business Address

City State Zip

Mailing Address (if different)

City State Zip

Location of Service Company books and records for Iowa business: Address City State Zip

Business Email Address

Business Telephone Number

Business Fax Number

Contact Person for Licensing

Contact Email Address

Contact Telephone Number

Contact Address

City

State Zip

Contact Person for Complaints

Contact Email Address

Contact Telephone Number

Contact Address

City

State Zip

Contact Person for Contracts

Contact Email Address

Contact Telephone Number

Contact Address

City

State Zip

Name of the applicant's registered agent for service of process within Iowa: _____

Address City State Zip

List the names, titles, and addresses of all executive officers and directors. You may also attach a separate listing.

Name Title

Address City State Zip

Name Title

Address City State Zip

Name Title

Address City State Zip

Financial Responsibility

A licensed service company shall demonstrate financial responsibility by satisfying one of the following:
Please check the appropriate box and submit the required supporting documentation.

All service contracts offered for sale in Iowa are insured under a reimbursement insurance policy (CLIP). Include a copy with this license report. Do not submit financial statements.

Maintain a funded reserve account for obligations no less than 40% of gross payments received, less claims paid, of any issued and outstanding service contracts in Iowa. Complete and submit Exhibit A with this license report.

Place in trust a financial security deposit in an amount no less than 5% of gross payments received, less claims paid, of any issued and outstanding service contracts in Iowa, but not less than \$25,000. Complete and submit Exhibit A with this license report and the Bond form.

Submit a copy of the company's independently audited financial statements prepared in accordance with generally accepted accounting principles.

Net worth or stockholder's equity of \$100 million or more for the company or together with a parent company.

Submit a copy of the company's independently audited financial statements prepared in accordance with generally accepted accounting principles.

If the financial statements are consolidated with the parent company, the service company shall provide a copy of a written agreement by the parent company guaranteeing the obligations of the service company.

**Motor Vehicle
Service Company**

**Residential Service
Company**

Number of Contracts

Number of motor vehicle service contract forms to be used or issued in Iowa.

Fee is **\$35** for each motor vehicle service contract form. A copy of each form is to accompany your License Report.

\$

Number of residential service contract forms to be used or issued in Iowa. A copy of each form is to accompany your License Report.

FOR RENEWAL LICENSES COMPLETE THIS SECTION

Number of service contracts renewed in Iowa during the preceding calendar year.

Number of service contracts newly issued in Iowa during the preceding calendar year.

Number of service contracts canceled or expired in Iowa during the preceding calendar year.

Number of service contracts in effect in Iowa at end of the preceding calendar year.

Amount of service contract payments received less refunds paid in Iowa during the preceding calendar year.

\$

\$

Fee is 3% times the amount of payments received less refunds paid for the sale or issuance of residential service contracts, but no less than \$100 and no greater than \$50,000.

\$

In submitting this report form, you must also upload and submit the following documents (if applicable, depending on the Financial Responsibility section selected and type of service company):

1. Certificate of Good Standing from the **Iowa** Secretary of State
2. Copy of each motor vehicle service contract form to be used or issued in Iowa
3. Copy of each residential service contract form to be used or issued in Iowa
4. Copy of reimbursement insurance policy (CLIP) (No financial statements are required.)
5. An affidavit attesting to a reserve account balance and financial security deposit (Exhibit A)
6. Surety Bond
7. Copy of company's most recent audited financial statements
8. Copy of written agreement with parent company guaranteeing the obligations

Print Name and Title of Applicant

Signature of Applicant

Date



IN THE MATTER OF:

Name of Applicant: _____
AND
Name of Depository: _____

Street Address _____ City _____ State _____ Zip _____

AFFIDAVIT
ATTESTING TO RESERVE ACCOUNT BALANCE AND FINANCIAL SECURITY DEPOSIT

On this _____ day of _____, _____

I (Name) _____
a duly qualified and authorized official of the above-reference Applicant, do hereby state under oath, the following:

1. The above-referenced Depository is an independent Depository and is not affiliated with or under the control of the Applicant or its owner and employees.

Check which statement(s) apply:

- 2a. _____ The Applicant maintains a reserve account at the above-referenced Depository.
- 2b. _____ The Applicant maintains a financial security deposit at the above-referenced Depository.

3. The gross amount of fees received on service contracts issued and in force by the Applicant in Iowa, is \$ _____ as of _____.

gross amount of fees received
x (times) no less than 40%
- (less) claims paid
= (equals) amount to maintain for a Reserve Account (4a.)

gross amount of fees received
x (times) no less than 5%
- (less) claims paid
= (equals) amount to maintain for a Financial Security Deposit (But not less than \$25,000) (4b.)

4a. As of the _____ day of _____ the balance of the reserve account is \$ _____

4b. As of the _____ day of _____ the balance of the financial security deposit is \$ _____

5. The reserve account, account number(s) _____
and financial security deposit, account number(s) _____
are being maintained in accordance with the Iowa Code Section 523C.

6. If the financial security deposit is a surety bond, initial here _____ and attach the surety bond with this Exhibit.

Authorized Official of the Depository Title of Authorized Official

STATE OF: _____ COUNTY OF: _____



KNOW ALL MEN BY THESE PRESENTS THAT

AS, PRINCIPAL (hereinafter referred to as "The Principal"), and

AS SURETY (hereinafter referred to as "the Surety"), are held and firmly bound unto the State of Iowa, for the use and benefit of any service contract holder sustaining actionable injury as a result of any breach of the conditions hereinafter set forth in the penal sum of (\$ _____) dollars of lawful money of the United States, for the payment of which sum we hereby bind ourselves, our successors and assigns, jointly and severally, firmly by the presents.

The conditions of the above obligations are such that:

WHEREAS, the Principal is required to file a surety bond with the Insurance Commissioner of the State of Iowa in accordance with the provisions of Iowa Code Section 523C.

WHEREAS, this bond shall be for the benefit of, and subject to recovery thereon, by any Iowa service contract holder sustaining actionable injury due to the failure of the service company to faithfully perform its obligations under a service contract because of insolvency of the service company.

WHEREAS, if the Principal ceases to do business in the State of Iowa and furnishes to the Insurance Commissioner of the State of Iowa satisfactory proof that it has discharged all obligations to contract holder this bond shall be released.

NOW, THEREFORE, if the Principal shall faithfully perform its obligations under all contracts and agreements made by it or its agents, heretofore or hereafter with any purchaser of a service contract in the State of Iowa, in accordance with Chapter 523C of the Code of Iowa, then this obligation shall be void and of no effect.

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES HERETO, THAT THIS BOND MAY NOT BE CANCELLED OR RELEASED UNTIL AFTER 60 DAYS NOTICE IN WRITING TO THE INSURANCE COMMISSIONER OF THE STATE OF IOWA.

IN WITNESS WHEREOF, the Principal has hereunto set its hand and seal and the said surety has caused these presents to be signed by its duly authorized officers and its corporate seal to be hereto affixed this

_____ day of _____, _____

Principal: _____
By (Name): _____
Title: _____

Surety: _____
By (Name): _____
Title: _____

NOTE: If this bond has been subscribed to by an "Attorney in Fact" there must be attached submitted "Power of Attorney" signed by an officer of the surety company.