

**ANNUAL REPORT OF 2022 ACTIVITY
FOR INSURANCE-FUNDED PERMIT
FILING INSTRUCTIONS**

Who must file an Annual Report? An Annual Report must be filed if the permit holder: (1) wishes to continue selling prepaid funeral contracts (PFCs); (2) had outstanding PFCs as of December 31, 2022; or (3) wants to preserve the permit for possible future PFC sales.

Your Annual Report is requested in our office by February 14, 2023 for processing, but must be submitted by no later than March 1, 2023.

Completing the Annual Report

- Pages 1-7 of the Annual Report are to be completed by the permit holder.
- Page 6 of the Annual Report is to be signed by an authorized agent or officer of the permit holder.
- Exhibit A (Page 8/Insurance Company's Statement) of the Annual Report is to be completed and signed by the insurance company(ies) responsible for the policies funding the outstanding PFCs sold by the permit holder.

Required Exhibits

Exhibit "A" – Insurance Company's Statement as of December 31, 2022 (Page 8).

Exhibit "B" – The final page of the permit holder's December 31, 2022 in-force policy run, which totals the dollar amount of the insurance in-force and number of contracts outstanding. The information submitted by the insurance company(ies) must balance to the totals on Page 4 of the Annual Report. If the data does not balance, an explanation or reconciliation of the variance must be submitted with the filing.

Exhibit "C" – If applicable, attach a listing of funeral home providers that are known to the permit holder that ceased business or ceased operations since the permit holder's last Annual Report was filed. (Page 6, Question 11)

Exhibit "D" – Assumed name certificate(s) filed with the Texas Secretary of State must be provided if changes were made or required since the previous year, or if the assumed name certificate(s) on file with the Department have expired. *Note: Assumed name certificates expire ten years after the date of the original filing.*

Exhibit "E" – For corporations, LLCs, and partnerships, proof of "active" account status with the Texas Comptroller of Public Accounts must be provided. You may look up your status and print the verification online at www.comptroller.texas.gov, select "Franchise Tax Account Status" from the Lookup section.

Exhibit "F" – Financial Statements in the name of the permit holder must be provided **if you wish to sell new PFCs**, including a balance sheet and income statement. The date of the financial statements may **not** be older than December 31, 2021. Blank financial statement forms are available on our website and may be used if you do not have a financial statement format. **Submission of financial statements is required to determine the permit holder's financial fitness and viability under Chapter 154 of the Texas Finance Code, Section 154.103(b).**

- Permit holders may submit a 2021 tax return **with a balance sheet** in lieu of the financial statements.
- Permit holders whose financial capacity is derived from a parent or holding company may submit the financial statements of the parent or holding company along with an organizational chart. To allow the Department to consider the financial capacity of a parent or holding company, a Letter of Guarantee (LOG) must be executed and filed with the Department. If not previously provided to the Department, please contact the Department to discuss the applicability and obtain a blank copy of the LOG.
- The Department reserves the right to request additional financial information if the balance sheet and income statement do not clearly establish the financial capability to discharge the permit holder's responsibilities.