

**ANNUAL REPORT OF 2023 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, 2023; or (3) wants to preserve the permit for possible future PFC sales.

Your Annual Report is requested in our office by February 15, 2024 for processing, but must be submitted by no later than March 1, 2024.

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, 2023 (Page 8).

Exhibit "B" – The final page of the permit holder's December 31, 2023 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, 2022. 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 2022 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.
- 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.

**TEXAS DEPARTMENT OF BANKING
ANNUAL REPORT OF 2023 ACTIVITY FOR
INSURANCE-FUNDED PERMIT NUMBER _____**

(Pursuant to the provisions of Chapter 154 of the Texas Finance Code and the rules and regulations of the Texas Department of Banking)

The Texas Department of Banking (Department) relies on the permit holder's statements and all information contained in this Annual Report to be true and correct with no material misrepresentation. A request for additional support may be made in response to this Annual Report and during Departmental examinations.

SECTION I – GENERAL INFORMATION

1. Name of Firm or Corporation _____

“Doing Business As” Name(s), if applicable _____

2. The current permit issued to my firm is ☐ Restricted from new sales ☐ Unrestricted from new sales

3. Check the applicable response:

☐ I request no change to my permit type.

☐ I request a change from a restricted permit to an unrestricted permit. Financial statements are provided.

☐ I request a change from an unrestricted permit to a restricted permit.

4. Domicile Address _____

City _____ State _____ Zip _____

County _____ Phone _____

5. Mailing Address _____

City _____ State _____ Zip _____

6. Exam Location _____

City _____ State _____ Zip _____

7. Recordkeeper, if applicable Company Name _____

Address _____

Permit No. _____

8. Customer Service Numbers Phone _____ Fax _____

9. Contact Person Name _____

Telephone Number _____

Email Address _____

10. Association/Corporation Charter Number _____ Date Filed _____

Name and percentage of majority stockholder(s) who own 25% or more of outstanding stock

Name _____ Percentage Owned _____

Name _____ Percentage Owned _____

Name _____ Percentage Owned _____

Name _____ Percentage Owned _____

If the association/Corporation is owned or controlled by another entity or firm, please explain below:

11. Current Officers

President _____ Date Appointed _____

Vice President _____ Date Appointed _____

Secretary _____ Date Appointed _____

Treasurer _____ Date Appointed _____

SECTION II – RECAPITULATION OF 2023 PREPAID FUNERAL BENEFIT CONTRACT ACTIVITY

Section (a) – These amounts are the year-end totals as of December 31, 2022. Use your Annual Report from the previous year to get these amounts. If the Report was corrected by the examiner at your last examination, use the adjusted totals.

Section (b) – This will be the total number of contracts added in 2023 and the amount of premiums received that were required to be deposited with the insurance company funding preneed contracts or death benefit increases, including all funds received on new and old contracts during 2023.

Section (c) – This will be the total number of contracts and associated dollar volume that have been reduced/deleted during 2023.

Section (d) – Any adjustments made during 2023. Additions should be listed as positive amounts and reductions as bracketed amounts. All adjustments must be explained on a separate page.

Section (e) – These amounts are your in-force totals from prepaid activity. This is your total year-end balance and must tie to your enclosed December 31, 2023 in-force policy run and the Insurance Company's Statement (page 7), "Grand total of insurance contracts/policies and dollars in-force to fund contracted prepaid funeral benefits as of December 31, 2023." **If the three documents do not agree, an explanation or reconciliation of the variance must be attached.**

***INDICATE WHETHER YOU ARE REPORTING OUTSTANDING ☐ CONTRACTS OR ☐ POLICIES.**

(a) Beginning Balances as of 12/31/22:	Total Number of Contracts/Policies	In-force Dollar Volume of Active Prened Contracts
Whole Life	_____	\$ _____
Annuities	_____	\$ _____
Increasing Death Benefit - Whole Life	_____	\$ _____
Other _____	_____	\$ _____
TOTAL BEGINNING BALANCE, 12/31/22:	_____	\$ _____ (+)
(b) Additions 1/1/23 - 12/31/23		
New Issues, Changes to Existing Policies, and Policy Deposits:		
Whole Life	_____	\$ _____
Annuities	_____	\$ _____
Increasing Death Benefit - Whole Life	_____	\$ _____
Other _____	_____	\$ _____
*Increases to increasing death policies should be included, if applicable		
Growth - Dividends and Interest		
Whole Life	_____	\$ _____
Annuities	_____	\$ _____
Increasing Death Benefit - Whole Life	_____	\$ _____
Other _____	_____	\$ _____
Reinstatements:		
Whole Life	_____	\$ _____
Annuities	_____	\$ _____
Increasing Death Benefit - Whole Life	_____	\$ _____
Other _____	_____	\$ _____

Permit No. _____

	Total Number of Contracts/Policies	In-force Dollar Volume of Active Preneed Contracts	
Conversions: (Principal and Interest Received)			
Whole Life	_____	\$ _____	
Annuities	_____	\$ _____	
Increasing Death Benefit - Whole Life	_____	\$ _____	
Other _____	_____	\$ _____	
TOTAL ADDITIONS	_____	\$ _____	(+)
(c) Reductions 1/1/23 - 12/31/23			
Deaths:			
Whole Life	_____	\$ _____	
Annuities	_____	\$ _____	
Increasing Death Benefit - Whole Life	_____	\$ _____	
Other _____	_____	\$ _____	
Cancellations/Lapses/Cash Surrenders/Voids/RPUs/ETIs			
Whole Life	_____	\$ _____	
Annuities	_____	\$ _____	
Increasing Death Benefit - Whole Life	_____	\$ _____	
Other _____	_____	\$ _____	
TOTAL REDUCTIONS	_____	\$ _____	(-)
(d) Other Adjustments/Changes (Increases/Decreases)			
Whole Life	_____	_____	
Annuities	_____	_____	
Increasing Death Benefit - Whole Life	_____	_____	
Other _____	_____	_____	
TOTAL OTHER ADJUSTMENTS/CHANGES	_____	_____	(+/-)
(e) Ending Balances as of 12/31/23			
Whole Life	_____	_____	
Annuities	_____	_____	
Increasing Death Benefit - Whole Life	_____	_____	
Other _____	_____	_____	
TOTAL ENDING BALANCE AT 12/31/23	_____	_____	(=)

The final page of your in-force policy run as of 12/31/23 must be attached.

SECTION III – QUESTIONNAIRE

1. Has 25 percent or more of the stock or other ownership or membership interest of the permit holder changed since the permit holder's last annual report was filed? Yes ☐ No ☐

If yes, was the Department notified of the ownership change? N/A ☐ Yes ☐ No ☐

If applicable, explain the change in ownership:

2. Is the permit holder selling new contracts under this permit? Yes ☐ No ☐

3. Have all written consumer complaints filed against anyone associated with the permit holder, if any, been resolved? N/A ☐ Yes ☐ No ☐

If no, explain: _____

4. Have all violations cited at the last examination of the permit holder, if any, been corrected? N/A ☐ Yes ☐ No ☐

If no, explain: _____

5. Has the permit holder experienced any defalcation or fraud since the permit holder's previous annual report filing? Yes ☐ No ☐

If yes, explain: _____

6. Has the permit holder been subject to any regulatory actions by any agency (enforcement actions, consent orders, etc.) since the permit holder's previous annual report filing? Yes ☐ No ☐

If yes, explain: _____

7. Has the permit holder had any permit/license suspended, revoked, or renewal refused by any agency since the permit holder's previous annual report filing? Yes ☐ No ☐

If yes, explain: _____

8. Has there been any litigation involving the permit holder initiated since the permit holder's previous annual report filing? Yes ☐ No ☐

If yes, explain: _____

9. Are all insurance sales agents properly licensed to sell insurance policies and annuities by the Texas Department of Insurance? N/A ☐ Yes ☐ No ☐

If no, explain: _____

10. Have there been any material changes to the permit holder's business plan, products, services, or financial condition since the previous annual report filing? Yes ☐ No ☐

If yes, explain: _____

11. 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 renewal was filed. Exhibit Attached ☐ N/A ☐

SECTION IV ANNUAL REPORT ACKNOWLEDGEMENT

I sign the foregoing Annual Report as an authorized agent or principal officer of the permit holder, having full authority to sign such Annual Report in said capacity. I affirm I have read the Annual Report and the attached exhibits, and all information contained therein is true and correct and no material fact has been omitted. I affirm that the permit holder is familiar with and will abide by the provisions of Chapter 154 of the Texas Finance Code.

By: _____
Corporate Name of Permit Holder

Signature of Authorized Agent or Principal Officer

Authorized Agent or Principal Officer Name and Title

Date

SECTION V

Prepaid Funeral Contract (PFC) Assessment On Insurance-Funded Contracts

*Section 154.3525 of the Texas Finance Code was added by H.B. 3762 and became effective September 1, 2009. This new section states the Department shall assess and collect from a seller not more than \$1 for each insurance-funded contract sold during each calendar year and shall deposit the assessments in the insurance-funded contract account within the fund. Furthermore, the Department shall stop assessing the amounts required by Subsection (a) when the amount in the insurance-funded contract account reaches \$1 million.

As of December 31, 2023, the insurance-funded guaranty fund reached \$1 million. Therefore, no guaranty fund assessment will be required at this time.

EXHIBIT "A" - INSURANCE COMPANY'S STATEMENT

Annual Report of Insurance Accounts as of December 31, 2023

**TO BE COMPLETED BY AN OFFICER OF THE INSURANCE
COMPANY FUNDING PREPAID FUNERAL BENEFITS CONTRACTS**

Submit this page to your insurance company for completion. If more than one insurance company is used, this page may be duplicated. **NOTE: An officer of the insurance company must sign at the bottom of the statement(s). Return the completed insurance statement(s) with your form.**

Name of Insurance Company: _____

Mailing Address, Line 1: _____

Mailing Address, Line 2: _____

Permit Holder's Name: _____

Permit Holder's approved agent(s) on the depository's records as authorized to request documents and file for claims processing on behalf of the permit.

STATEMENT OF CONDITION:

Total number of insurance contracts/policies as of 12/31/23: _____

Grand total of insurance dollars in-force to fund
contracted Prepaid funeral benefits as of 12/31/23: \$ _____
(Should tie to total ending balance on page 3)

I hereby certify that the foregoing statement is true and correct to the best of my knowledge and belief and has been prepared by a representative of my institution.

OFFICER OF INSURANCE COMPANY SIGNATURE: _____

PRINTED NAME AND TITLE: _____

TELEPHONE NUMBER: _____

DATE: _____