As previously communicated, effective September 1, 2019, the Texas Administrative Code §25.13 was amended to state that the permit to sell or maintain prepaid funeral benefits (permit) will remain in effect until it is either revoked by the Department or surrendered by the permit holder. Although the Permit Renewal application is no longer required, the Annual Report must be submitted by March 1 of each year to provide the required information to maintain your permit.

**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, 2020; or (3) wants to preserve the permit for possible future PFC sales.

*Your Annual Statement is requested in our office by February 15, 2021 for processing, but must be submitted by no later than March 1, 2021.*

**Completing the Annual Report**

- Pages 1-5 of the Annual Report are to be completed by the permit holder.
- Page 5 of the Annual Report is to be signed by an owner or officer of the permit holder.
- Page 6 (Exhibit A) of the Annual Report is to be completed and signed by each depository holding prepaid funeral funds.

**Required Exhibits**

**Exhibit “A”** – Trustee/Depository Statement as of December 31, 2020 (Page 6)

**Exhibit “B”** – The final page of the permit holder’s December 31, 2020 control ledger must be submitted. The ledger must balance to page 3 and page 6 of the Annual Report form. If the data does not balance, an explanation or reconciliation of the variance must be submitted with the filing.

**Exhibit “C”** – An assumed name certificate filed with the Texas Secretary of State and/or County Clerk must be provided if changes were made or required since the previous year, or if the assumed name certificates on file with the Department have expired. *Note: These certificates expire ten years after the date of the original filing.*

**Exhibit “D”** – For corporations, LLCs, and partnerships, proof of “active” account status with the Texas Comptroller of Public Accounts must be provided, if applicable. You may look up your status and print the verification online at [www.comptroller.texas.gov](http://www.comptroller.texas.gov), select “Franchise Tax Account Status” from the Lookup section.

**Exhibit “E”** – 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, 2019. 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 2019 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) is required to be executed and filed with the Department. If not previously provided to the Department, please contact the Department to obtain a copy of the LOG, and provide an executed copy by the parent or holding company’s financial statements along with the entity organizational chart.
- 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.