

**ANNUAL REPORT OF 2021 ACTIVITY  
FOR INSURANCE-FUNDED PERMIT  
FILING INSTRUCTIONS**

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 Texas Department of Banking (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, 2021; or (3) wants to preserve the permit for possible future PFC sales.

***Your Annual Report is requested in our office by February 14, 2022 for processing, but must be submitted by no later than March 1, 2022.***

**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, 2021.

**Exhibit "B"** – The final page of the permit holder's December 31, 2021 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](http://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, 2020. 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 2020 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 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.

**TEXAS DEPARTMENT OF BANKING  
ANNUAL REPORT OF 2021 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, 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 \_\_\_\_\_

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 2021 PREPAID FUNERAL BENEFIT CONTRACT ACTIVITY**

**Section (a)** – Enter the year-end totals as of December 31, 2020. 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)** – Enter the total number of contracts added in 2021 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 2021.

**Section (c)** – Enter the total number of contracts and associated dollar volume that have been reduced/deleted during 2021.

**Section (d)** – Enter any adjustments made during 2021. 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, 2021 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, 2021.” **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.**

	<b>Total Number of Contracts/Policies</b>	<b>In-force Dollar Volume of Active Preneed Contracts</b>
<b>(a) Beginning Balances as of 12/31/20:</b>		
Whole Life	_____	_____
Annuities	_____	_____
Increasing Death Benefit - Whole Life	_____	_____
Other _____	_____	_____
<b>TOTAL BEGINNING BALANCE, 12/31/20:</b>	_____	_____ (+)
<b>(b) Additions 1/1/21 - 12/31/21</b>		
New Issues, Changes to Existing Policies, and Policy Deposits:		
Whole Life	_____	_____
Annuities	_____	_____
Increasing Death Benefit - Whole Life	_____	_____
Other _____	_____	_____
*Increases to increasing Death polices 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 _____	_____	_____

**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 _____	_____	_____	
<b>TOTAL ADDITIONS</b>	_____	_____	<b>(+)</b>

**(c) Reductions 1/1/21 - 12/31/21**

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 _____	_____	_____	
<b>TOTAL REDUCTIONS</b>	_____	_____	<b>(-)</b>

**(d) Other Adjustments/Changes (Increases/Decreases)**

Whole Life	_____	_____	
Annuities	_____	_____	
Increasing Death Benefit - Whole Life	_____	_____	
Other _____	_____	_____	
<b>TOTAL OTHER ADJUSTMENTS/CHANGES</b>	_____	_____	<b>(+/-)</b>

**(e) Ending Balances as of 12/31/21**

Whole Life	_____	_____	
Annuities	_____	_____	
Increasing Death Benefit - Whole Life	_____	_____	
Other _____	_____	_____	
<b>TOTAL ENDING BALANCE AT 12/31/21</b>	_____	_____	<b>(=)</b>

**The final page of your in-force policy run as of 12/31/21 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:

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

If yes, has the permit holder included the most recent financial statements of the certificate holder including a balance sheet and income statement? 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/licensed 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 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.

Corporate Name of Permit Holder: \_\_\_\_\_

Signature of Authorized Agent or Principal Officer: \_\_\_\_\_

Printed Name of Authorized Agent or Principal Officer: \_\_\_\_\_

Job Title: \_\_\_\_\_

Date: \_\_\_\_\_

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

The total number of PFCs issued from January 1, 2021 to December 31, 2021: \_\_\_\_\_

x \$1.00\*

**Total Amount Due \$** \_\_\_\_\_

\*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.

Please...

- Write your permit number on the check
- Make the check payable to: PFC Insurance Guaranty Fund
- Include a copy of this page of the Annual Report with your check
- Mail the check to: Texas Department of Banking, 2601 N. Lamar Blvd., Austin, TX 78705