



Service Contract Provider's Funded Reserve and Security Deposit Financial Security
Calculation Form (Mid-Year)

Company Name
Company License Number

October 1, 20 through March 31, 20

Contact Name:
Phone Number:
Email Address:

Your company elected to meet its financial security requirements by establishing a funded
reserve account and a security deposit in accordance with S.C. Code Law 38-78-
30(D)(2)(a), as it relates to the service contracts issued in the State of South Carolina. We
are verifying this account and the security deposit that it meets all minimum requirements
under the above-mentioned code.

(Please note: If reserve amount is negative, the provider must infuse funds into the account and provide
the Department of Insurance with proof of account balance. All funds must be kept separate from the
provider's operating accounts.)

1. Computation for Provider's Funded Reserve Account (Provide detailed information on all items
below)

(a) Total number of new contracts written

\_\_\_\_\_

(b) Determine the gross consideration received from SC contract holders

\_\_\_\_\_

(c) Total claims paid (no Incurred But Not Reported [IBNR])

\_\_\_\_\_

(d) Net Gross Consideration Received (subtract the claims paid (c) from gross consideration (b))

\_\_\_\_\_

(e) Reserve Amount (Multiply the answer in (d) by 40%)

\_\_\_\_\_

Provide SC DOI with proof of the current reserve amount:
Name of Bank/Financial Institution

\_\_\_\_\_



Account Number \_\_\_\_\_

*The funded reserve account must be kept separate from the provider's operating accounts and not be used for any purpose other than to cover the provider's obligations under its service contracts that are issued and outstanding in South Carolina.*

2. Computation for Provider's Financial Security Deposit

(a) Multiply the answer in (d) by 5%

Provide SC DOI with proof of the current financial security deposit. The company is required to provide a security deposit in addition to the funded reserve account. The company is required to place in trust with the SC DOI a financial security deposit. You must maintain a minimum of \$25,000.00 financial deposit with this office. *\*Please note: if the answer is more than \$25,000.00, you must increase your surety bond and submit to this office. If an increase is needed, the Department of Insurance will be in contact. This process will not hold the renewal.*

I certify that I have complied with all applicable provisions of Title 38, Chapters 78 of the South Carolina Code of Laws. I certify all information submitted on this form and attachments is true and accurate. I understand that providing false information on this form may result in the revocation of the registration or imposition of administrative penalties for the Applicant under which this form is required.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Position \_\_\_\_\_

Subscribed and sworn to me before this \_\_\_\_ day of \_\_\_\_\_.

Notary Signature \_\_\_\_\_

My Commission Expires \_\_\_\_\_

County of \_\_\_\_\_

State of \_\_\_\_\_

(Notary Seal Affixed Here)

