STATE OF HAWAII – INSURANCE DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
P.O. BOX 3614
HONOLULU, HAWAII 96811-3614

SERVICE CONTRACT PROVIDER'S
FINANCIAL RESPONSIBILITY STATEMENT

_____ is in compliance with the financial
               Name of Service Contract Provider

responsibility requirements of section 481X-4, Hawaii Revised Statutes ("HRS"), under **one** of the options checked below:

(1)_____ 481X-4(1) Insure all service contracts under a contractual liability insurance policy. **(Please submit a copy of the active policy and identify the section showing compliance with the sixty day requirement in section 481X-8(a), HRS)**

(2)_____ 481X-4(2) Provider shall:
        (A) Maintain a funded reserve (in force contracts):
           Gross amount received: _____
           Less: Claims Paid: _____
           Equals Net Received: _____
           Times 40% Reserve Rate: x .40
           Equals Funded Reserve required: _____
        (Please provide an explanation of how this reserve is funded.)
                AND
        (B) Submit a security deposit having a value that is the larger of $25,000 or 5% of gross consideration received less claims paid **(Please submit the worksheet if deposit is greater than $25,000.)**

(3)_____ 481X-4(3) Provider or parent company shall:
        (A) Maintain a net worth or stockholders equity of $100,000,000
                AND
        (B) **Submit the Provider's or Providers Parent's most recent 10K or Form 20F filed with the SEC or audited financial statement.**
                ALSO
        If the financial responsibility requirement under this paragraph is to be maintained by the provider's parent company, the parent company shall guarantee the provider's obligations under service contracts sold by the provider in this State. **(Please submit a written statement signed by an officer of the parent company to this effect.)**

(Only a brief description is provided for each option above. For complete details see section 481X-4, HRS.) Two authorized officers must sign below.

_____ _____ _____ _____
Signature (officer /owner)   Date   Signature (officer /owner)   Date

_____   _____
Name (print)   Name (print)

_____   _____
Title   Title

FRS, (HRS 481X – 4) revised 3/09/08
Exam Branch (Certification)