

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

SERVICE CONTRACT PROVIDER'S (SCP)  
FINANCIAL RESPONSIBILITY STATEMENT

\_\_\_\_\_ is in compliance with the financial responsibility requirements  
Name of Service Contract Provider

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

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

(2) 481X-4(2) SCP shall:

(A) Maintain a Funded Reserve (For in-force contracts):

Gross consideration received: \_\_\_\_\_

Less: claims paid: \_\_\_\_\_

Equals net received: \_\_\_\_\_

Times 40% reserve rate: \_\_\_\_\_ x 0.40

Equals Funded Reserve required: \_\_\_\_\_

**(Provide a copy of the SCP's most recent statement from the financial institution that holds the Funded Reserve)**

**AND**

(B) Provide a security deposit having a value that is the greater of \$25,000 or 5% X [gross consideration received less claims paid]. **(Provide a worksheet if the required deposit is greater than \$25,000)**

**Provide the SCP's Security Deposit document reference number \_\_\_\_\_**

(3) 481X-4(3) SCP or parent company shall:

(A) Maintain a net worth or stockholders equity of at least \$100,000,000.

**AND**

(B) **Provide the SCP's or SCP's Parent's most recent Form 10K or 20F filed with the Securities and Exchange Commission or audited financial statements, within the last calendar year.**

**ALSO**

If the financial responsibility requirement under this paragraph is to be maintained by the SCP's parent company, the parent company shall guarantee the SCP's obligations under service contracts sold by the SCP in this State. **(Provide a Guarantee, signed by an officer of the parent company)**

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

\_\_\_\_\_  
Signature (officer/owner)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature (officer/owner)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title