**Placing Securities on Deposit**

For a company to become licensed in Texas they must either place a deposit with the Texas Department of Insurance (department) or show proof of a deposit in another state, pursuant to the appropriate section or article of the Texas Insurance Code (TIC). Although some companies are not required by statute to place a deposit or show proof of a deposit in another state, the department reserves the right to require a deposit pursuant to TIC [§406.003](http://www.statutes.legis.state.tx.us/DocViewer.aspx?K2DocKey=odbc://SOTW/ASUPUBLIC.dbo.vwSOTW/IN/S/IN.406@SOTW&QueryText=%22406.003%22&HighlightType=1). An insurance company may also place a voluntary deposit, pursuant to TIC [§481.003](http://www.statutes.legis.state.tx.us/DocViewer.aspx?K2DocKey=odbc://SOTW/ASUPUBLIC.dbo.vwSOTW/IN/S/IN.481@SOTW&QueryText=%22481.003%22&HighlightType=1) to satisfy the requirements of another state.

## Acceptable Securities:

A company may submit securities of the kind described in TIC [§424.058](http://www.statutes.legis.state.tx.us/DocViewer.aspx?K2DocKey=odbc://SOTW/ASUPUBLIC.dbo.vwSOTW/IN/S/IN.424@SOTW&QueryText=%22424.058%22&HighlightType=1). The security must be listed with the Securities Valuation Office (SVO) of the National Association of Insurance Commissioners (NAIC) with a rating of 1 or 2; or have a rating equivalent to the SVO rating of 1 or 2 by a statistical rating organization nationally recognized by the SVO (i.e. Moody’s, S&P, Fitch, and DBRS). A Bloomberg screen-print will be accepted if the security is not listed on the SVO. The security must be at market value. Please refer to the [Securities Valuation Office](http://www.naic.org/svo.htm) for more information.

**For specific requirements, select the appropriate company type:**

* [Property and Casualty Companies](#_Property_and_Casualty)
* [Life, Health and Accident Companies](#_Life,_Accident_and)
* [Health Maintenance Organizations](#_Health_Maintenance_Organizations)
* [Lloyds Insurance Companies](#_Lloyds_Insurance_Company)
* [Worker’s Compensation Self-Insurance Groups](#_Worker’s_Compensation_Self-Insuranc)

# Property and Casualty Company Statutory Deposit Requirements

**Domestic P&C**: The department reserves the right to require a company to place a deposit pursuant to TIC §[406.003](http://www.statutes.legis.state.tx.us/Docs/IN/htm/IN.406.htm#406.003) or proof of deposit held in another state will be required.

**Voluntary Deposits**: When placing a voluntary deposit, pursuant to TIC [§481.003](http://www.statutes.legis.state.tx.us/DocViewer.aspx?K2DocKey=odbc://SOTW/ASUPUBLIC.dbo.vwSOTW/IN/S/IN.481@SOTW&QueryText=%22481.003%22&HighlightType=1) or [861.252(b)](http://www.statutes.legis.state.tx.us/Docs/IN/htm/IN.861.htm#861.252).

## Establishing Securities on Deposit:

* [Initial Statutory Deposit Checklist](http://www.tdi.texas.gov/forms/fincolicense/fin435depositck.pdf), TDI Form FIN435
* [Statutory Deposit Transaction Form](http://www.tdi.texas.gov/forms/fincolicense/fin407statdptrn.pdf), TDI Form FIN407
* [Declaration of Trust](http://www.tdi.texas.gov/forms/fincolicense/fin453decoftrust.pdf), TDI Form FIN453
* [Statutory Deposit Fee Transmittal Form](http://www.tdi.texas.gov/forms/fincolicense/fin406sdfeetransm.pdf), TDI Form FIN406

# Life, Accident and Health Companies Statutory Deposit Requirements

**LA&H**: the department reserves the right to require a company to place a deposit pursuant to TIC [§406.003](http://www.statutes.legis.state.tx.us/DocViewer.aspx?K2DocKey=odbc://SOTW/ASUPUBLIC.dbo.vwSOTW/IN/S/IN.406@SOTW&QueryText=%22406.003%22&HighlightType=1).

**Voluntary Deposits**: A LA&H company may also place a voluntary deposit pursuant to TIC §481.003. When placing a voluntary deposit, pursuant to TIC [§481.003](http://www.statutes.legis.state.tx.us/DocViewer.aspx?K2DocKey=odbc://SOTW/ASUPUBLIC.dbo.vwSOTW/IN/S/IN.481@SOTW&QueryText=%22481.003%22&HighlightType=1).

## Establishing Securities on Deposit:

* [Initial Statutory Deposit Checklist](http://www.tdi.texas.gov/forms/fincolicense/fin435depositck.pdf), TDI Form FIN435
* [Statutory Deposit Transaction Form](http://www.tdi.texas.gov/forms/fincolicense/fin407statdptrn.pdf), TDI Form FIN407
* [Declaration of Trust](http://www.tdi.texas.gov/forms/fincolicense/fin453decoftrust.pdf), TDI Form FIN453
* [Statutory Deposit Fee Transmittal Form](http://www.tdi.texas.gov/forms/fincolicense/fin406sdfeetransm.pdf), TDI Form FIN406

# Lloyds Insurance Company Statutory Deposit Requirements

Pursuant to TIC § [941.205](http://www.statutes.legis.state.tx.us/DocViewer.aspx?K2DocKey=odbc://SOTW/ASUPUBLIC.dbo.vwSOTW/IN/S/IN.941@SOTW&QueryText=%22941.205%22&HighlightType=1), a Lloyd’s company must hold their deposit under Joint Control of the Attorney-in-fact, Commissioner of Insurance and the Custodian Bank.

## Establishing Securities on Deposit:

* [Initial Statutory Deposit Checklist](http://www.tdi.texas.gov/forms/fincolicense/fin435depositck.pdf), TDI Form FIN435
* [Statutory Deposit Transaction Form](http://www.tdi.texas.gov/forms/fincolicense/fin407statdptrn.pdf), TDI Form FIN407
* [Joint Control Agreement](http://www.tdi.texas.gov/forms/fincolicense/fin450jointcntl.pdf), TDI Form FIN450 ($50 filing fee)
* [Statutory Deposit Fee Transmittal Form](http://www.tdi.texas.gov/forms/fincolicense/fin406sdfeetransm.pdf), TDI Form FIN406

# Health Maintenance Organizations (HMO) Statutory Deposit Requirements

Pursuant to TIC § [843.405](http://www.statutes.legis.state.tx.us/DocViewer.aspx?K2DocKey=odbc://SOTW/ASUPUBLIC.dbo.vwSOTW/IN/S/IN.843@SOTW&QueryText=%22843.405%22&HighlightType=1), the amount of an HMO’s initial deposit must be:

* + - $100,000 for a basic health care services
		- $75,000 for limited health care services
		- $50,000 for a single health care service plan

## Establishing Securities on Deposit:

* [Instructions for HMO’s Placing Securities on Deposit](http://www.tdi.texas.gov/forms/fincolicense/fin451hmoinstr.pdf), TDI Form FIN451
* [Instructions for Completing Securities Deposited Form 120](http://www.tdi.texas.gov/forms/fincolicense/fin440instr120.pdf), TDI Form FIN440
* [Securities Deposit Form 120](http://www.tdi.texas.gov/forms/fincolicense/fin441form120.pdf), TDI Form FIN441
* [Pledge Document](http://www.tdi.texas.gov/forms/fincolicense/fin452hmopledge.pdf), TDI Form FIN452
* [Declaration of Trust](http://www.tdi.texas.gov/forms/fincolicense/fin453decoftrust.pdf), TDI Form FIN453
* [Statutory Deposit Fee Transmittal Form](http://www.tdi.texas.gov/forms/fincolicense/fin406sdfeetransm.pdf), TDI Form FIN406

# Worker’s Compensation Self-Insurance Group (WCSIG) Statutory Deposit Requirements

Pursuant to [Section 407A.053 of the Labor Code](http://www.statutes.legis.state.tx.us/DocViewer.aspx?DocKey=LA%2fLA.407A&Phrases=407A&HighlightType=1&ExactPhrase=False&QueryText=407A.053), a WCSIG must either place a security deposit or surety bond, equal to the greater of $300,000 or 25% of the group’s total incurred liabilities for workers’ compensation. Pursuant to TIC § [407A.051](http://www.statutes.legis.state.tx.us/DocViewer.aspx?DocKey=LA%2fLA.407A&Phrases=407A&HighlightType=1&ExactPhrase=False&QueryText=407A.053), a $250,000 performance bond must also be placed for the Administrator.

## Establishing Securities on Deposit:

* [Initial Statutory Deposit Checklist](http://www.tdi.texas.gov/forms/fincolicense/fin435depositck.pdf), TDI Form FIN435
* [Statutory Deposit Transaction Form](http://www.tdi.texas.gov/forms/fincolicense/fin407statdptrn.pdf), TDI Form FIN407
* [Declaration of Trust](http://www.tdi.texas.gov/forms/fincolicense/fin453decoftrust.pdf), TDI Form FIN453
* [Statutory Deposit Fee Transmittal Form](http://www.tdi.texas.gov/forms/fincolicense/fin406sdfeetransm.pdf), TDI Form FIN406

## Additional Resources

* [Texas Administrative Code](http://texreg.sos.state.tx.us/public/readtac%24ext.ViewTAC?tac_view=3&ti=28&pt=1)
* [Texas Insurance Code](http://www.statutes.legis.state.tx.us/?link=CN)
* [Forms](http://www.tdi.texas.gov/forms/form3bond.html)

## Submit Forms To:

##  SDFilings@tdi.texas.gov

**OR**

Statutory Deposit Team

Company Licensing and Registration Office (MC103-CL)

Texas Department of Insurance

PO Box 149104, Austin, Texas 78714-9104, or

333 Guadalupe, Austin, Texas 78701

If you have any questions, contact the Statutory Deposit Team at (512)676-6375 or SDFilings@tdi.texas.gov.