


Checklist for Substituting Securities on Deposit

You must submit the following documents to substitute securities on deposit. Submissions are required 30 days prior to the maturity date of the security. Submit completed documents in the order indicated below.

► Requirements

- 1. [Statutory Deposit Transaction Form \(FIN407\)](#)** - The security must be listed with the Securities Valuation Office (SVO) and have an SVO rating of 1 or 2. If the security is not listed with the SVO, you must provide a copy of a Bloomberg Report showing ratings from at least two recognizable rating agencies (Moody's, S&P, or Fitch). Valuation is based on book value. US Government securities are exempt from filing with the SVO; these securities are automatically rated 1. For more information, see Texas Insurance Code, Section 424.058.

If the deposit is held under Texas Insurance Code Chapter 481 as a voluntary deposit for a Texas domestic insurer and held on behalf of another state or jurisdiction, indicate whether the deposit is for the benefit of all policyholders; policyholders and creditors; or policyholders or creditors on the FIN407 form.
- 2. **Safekeeping Receipt**** issued by bank, prepared on bank letterhead, and containing signature of issuer. The receipt must give a detailed description of the security (CUSIP / identification number, rate, maturity date, par value / amount) and indicate that it is pledged to the Texas Department of Insurance or Commissioner of Insurance.
- 3. **Form Establishing Pledged Deposit.**** Lloyds companies use [Joint Control Agreement for Lloyds \(FIN450\)](#). Other insurers, use [Declaration of Trust \(FIN453\)](#). These forms must be executed by all parties and notarized where appropriate. Indicate the statutory reason for your deposit.
- 4. **A cover letter on company letterhead explaining the transaction being submitted.**** Include the company and custodian contact information (name, telephone number and email). If securities are held at the Texas Treasury Safekeeping Trust, specify where proceeds of withdrawn or matured securities should be delivered or wired.
- 5.  Email the complete filing to SDFilings@tdi.texas.gov.**

► Questions?

Email us at SDFilings@tdi.texas.gov or call the Company Licensing and Registration Office at 512-676-6365.