



FORM D
Prior Notice of a Transaction

A separate application is required for each transaction filed.

I. Applicant(s) Information (Texas Domestic or Commercially Domiciled Insurer)

Date: _____

Applicant Name: _____

TDI#: _____ NAIC#: _____

Address: _____

City/State/Zip: _____

If multiple applicants for this transaction, provide each Applicant's information on a separate page.

II. Contact Information for Correspondence Concerning This Application

Contact Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Phone: _____ FAX: _____

Email: _____

III. Parties to the Transaction

Identify each party to the transaction (attach additional tables as necessary):

	Party 1	Party 2	Party 3
Name			
Home Office Address			
Principal Executive Office Address			
Organizational Structure (corporation, partnership, individual, trust, etc.)			
Nature of Business Operations			
Relationship of the Parties (owner, debtor, creditor, etc.)			

Identify any affiliate(s) receiving proceeds of the transaction if the transaction is with a non-affiliate:

Provide complete answers on a separate page if necessary. Identify by section and item number.

IV. Description of the Transaction

1. Specify the Tex. Ins. Code Chapter 823 Section(s) under which the transaction is filed
2. Brief Description of the Transaction
3. Effective Date of the Transaction
4. Duration (term) of the Transaction (including extension or renewal terms)
5. Purpose of the Transaction (including how the transaction relates to other holding company agreements on file and the business plan)
6. Explain how the Transaction Complies with the Fair and Reasonable Standard of Tex. Ins. Code § 823.101 - <i>Attach evidence to support fairness, fair market value, market rate, as applicable</i>
7. Demonstrate Compliance with Tex. Adm. Code § 7.204(a)(2)(D) for Management/Service/Cost Sharing/Tax-Allocation/Rental/Lease Agreements - <i>Attach TAC § 7.204(a)(2)(D) Checklist</i>
8. Explain the Financial Impact of the Transaction on the Insurer - <i>Attach spreadsheets to calculate payment amounts for two years and compare financial data before and after the transaction, including: expenses, profitability, policyholder surplus, authorized control level risk-based capital, liquidity, quality of investment portfolio as applicable</i>

9. Demonstrate that the Insurer will have Adequate Policyholder Surplus to Execute its Business Plan upon Completion of the Transaction - <i>Attach projections for at least two years</i>
10. Demonstrate that the Transaction Complies with Statutory Accounting Principles Published by the NAIC in the Accounting Practices and Procedures Manual
11. Identify any Unusual Circumstances or Risks Associated with the Transaction

Complete Sections V, VI, VII, VIII, and IX as applicable.

Provide complete answers on a separate page if necessary. Identify by section and item number.

V. Sales, Purchases, Exchanges, Loans, Extensions of Credit, Guarantees or Investments
(including loans or extensions of credit to a Non-Affiliate for the purpose of loaning to or extending credit to an Affiliate or purchasing assets of or investing in an Affiliate)

Check if Section is Applicable

1. Amount of the Transaction (including maximum amount if applicable)
2. Form of the Consideration (i.e. cash, securities, property, etc.) - <i>Include terms of any securities received</i>
3. Cost and Fair Market Value of Consideration Other Than Cash - <i>Include basis for evaluation of fair market value</i>
4. Source of Funding for the Transaction
5. Provisions for Accrual or Deferral of Interest

Provide complete answers on a separate page if necessary. Identify by section and item number.

VI. Reinsurance Agreements

Check if Section is Applicable

1. Identify whether the reinsurance agreement contains one or more of the following risk features that effectively reduce or limit the reinsurer(s) losses or other features with similar results: loss corridors; loss ratio caps; aggregate limits; additional retention/deductibles; experience refunds; sliding scale commissions; profit/loss sharing; defined reinsurer margin; profit guarantees; incentives to commute business ceded; features designed to delay the timing of reimbursement to the ceding company and so forth.
2. Identify whether the reinsurance agreement contains termination provisions that allow for termination or recapture automatically, scheduled at a specific point in time, or upon the occurrence of some event; termination at the option of the reinsurer; or termination on a cut off basis.
3. Identify whether the reinsurance agreement contains a provision allowing an unconditional or unilateral right of the reinsurer to commute the reinsurance contract.
4. Identify the reinsurance agreement provision providing for periodic accounting and settlement no less frequently than on a quarterly basis.
5. If the reinsurance is with a reinsurer who does not qualify for full credit, describe the method of funding as security for the payment of obligations ceded under the reinsurance agreement. Are ceded obligations fully secured?
6. Explain whether the business ceded to the reinsurer will be retroceded by the reinsurer to any affiliate within the holding company structure. Provide a description of the retrocession if applicable.

Provide complete answers on a separate page if necessary. Identify by section and item number.

VII. Management and Service Agreements

Check if Section is Applicable

1. List Services Provided

2. Explain the Compensation Formula and Demonstrate that it is Reasonable in Relation to the Actual Cost of the Services Provided

Provide complete answers on a separate page if necessary. Identify by section and item number.

VIII. Cost Sharing Agreements

Check if Section is Applicable

1. List Each Party's Expenses Covered by the Agreement

2. Explain the Method of Cost Allocation and Demonstrate Compliance with Statutory Accounting Principles Published by the NAIC in the Accounting Practices and Procedures Manual

Provide complete answers on a separate page if necessary. Identify by section and item number.

IX. Tax Allocation Agreements

Check if Section is Applicable

1. Identify the provision in the agreement which complies with Tex. Adm. Code § 7.204(a)(2)(E)
2. Provide a statement confirming that the allocated tax liability for the Texas domestic (and/or commercially domiciled insurer) will not be greater than the tax liability it would have incurred if it had been filing separate returns for all years of the consolidation period and the allocated refund will not be less than the tax refund it would have received if it had been filing separate returns for all years of the consolidation period.

Check the exhibits attached.

X. Exhibits

- Copy of FIN483 - Fee Transmittal Form *(Required for remittance of all filing fees)*
- Copy of the Agreement/Contract
- Evidence of Fairness/Fair Market Value/Market Rate
- Financial Spreadsheets/Projections
- New or Updated Business Plan
- Other *(please list)*: _____
- FIN585 - TAC § 7.204(a)(2)(D) Checklist *(Required for management, service, cost sharing, tax allocation, rental or lease agreements)*
- FIN586 - MGA Contract Checklist *(Required for managing general agency agreements)*
- FIN587 - TPA Contract Checklist *(Required for third party administrator agreements)*
- FIN588 - Custodial Contract Checklist *(Required for agreements for custodial services)*
- Evidence of proper licensing of insurance agency/third party administrator

Application must be signed and notarized.

XI. Signature and Certification

SIGNATURE

Pursuant to the requirements of Insurance Code Chapter 823, the Applicant has caused this Prior Notice of a Transaction Statement to be signed on its behalf in the City of _____ and State of _____ on _____ day of _____, 20____.

Name of Applicant

(Corporate Seal)

By: _____
Name/Title

Attest:

Signature of Officer

Title

CERTIFICATION

THE STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared

_____ known to me to be the _____,

who, after being placed on his or her oath, stated that he or she has read the preceding application and that the answers, exhibits and attachments forming it are true and correct as to any factual statements contained.

Signature

Sworn to and subscribed before me on _____, 20____ to certify which witness my hand and seal of office.

(Seal)

Notary Public Signature

Printed Name