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Chapter 616.54 (4) (e), Wis. Stat., requires that, as a condition prerequisite to the continuation of licensure as a service contract provider in Wisconsin, every service contract provider shall by March 31 of each year submit the following:

1. A \$100 annual continuation of license fee.
2. The enclosed form OCI 27-003 which is divided into two parts. Companies are required to complete both part A and B. Part A asks for the "gross fees and charges collected from Wisconsin consumers on service contracts written during the prior year." Do not leave this part blank; if the total gross amount collected is zero, please indicate as such. Part B has two sections. Companies must complete Section One or Section Two depending on the company's proof of financial security.

Section One: This section should be completed by companies who maintain a security deposit or a letter of credit in compliance with s. 616.54 (7), Wis. Stat. If the company is both the provider and administrator, the security provided shall be not less than \$50,000 plus 15% of all service contract fees and charges collected from consumers for all unexpired service contracts in force in Wisconsin on January 1 of the current year. If the provider makes use of an outside administrator, the percentage used to determine the required security is 22.5%.

Section Two: This section should be completed by companies who use insurance contracts procured through an insurer authorized to transact business in Wisconsin under which the insurer assumes your obligations arising out of a service contract issued in Wisconsin to the extent that the obligations are not fulfilled due to insolvency or other financial impairment of the service contract provider, in compliance with s. 616.54 (6), Wis. Stat.

**For companies where Section One of Part B applies, include with this form a data file in Excel format, of Wisconsin policies whose total agrees to the amount on line (A) of Section One; this data file should include the Service Contract Number, Contract holder Name, Contract holder Address, Effective Date, Expiration Date, Gross Amount Paid, Net Amount Paid, Sales Company Name, and Dealer Name (if applicable).**

3. Companies who maintain security deposits or a letter of credit for assurance of performance must also submit accrual basis audited financial statements by May 31 each year in compliance with s. 616.54 (8), Wis. Stat.

Failure to file the above items in time will result in forfeiture pursuant to s. 601.64, Wis. Stat.

If you have any questions or concerns, please feel free to contact Mr. John Pollock at (608) 266-3325 or [john.pollock@wisconsin.gov](mailto:john.pollock@wisconsin.gov) or Ms. Kristin Forsberg at (608) 266-9896 or [kristin.forsberg@wisconsin.gov](mailto:kristin.forsberg@wisconsin.gov).

Enclosure



**FINANCIAL SECURITY REQUIREMENT  
AS OF DECEMBER 31, \_\_\_\_\_**

**Return this form by MARCH 31.  
Submit documentation of security with this form.**

Contact Name	Email Address	Contact Phone Number
Contact Address		
Provider	Administrator(s)	
Provider Address	Provider Phone Number	

A. Gross fees and charges collected from Wisconsin consumers on service contracts written during the prior year \_\_\_\_\_

**B. Complete either Section One or Section Two**

Section One:

Gross amounts collected on contracts in force\* \$ \_\_\_\_\_ (A)  
 Required security based on contracts in force \_\_\_\_\_ (B) (AX15%) or (AX22.5%)  
 Required fixed security \$ 50,000 (C)  
 Total financial security required \$ \_\_\_\_\_ (B+C)

Section Two:

Full name of insurer \_\_\_\_\_  
 Effective date \_\_\_\_\_  
 Expiration date \_\_\_\_\_

\* Includes all fees and charges collected on service contracts issued to Wisconsin consumers which are active as of January 1 of the current year. For example: If you write a four-year contract on January 1 with a fee of \$100, your required financial security from this policy would be \$15 in each of the four years the policy is in force.

\*\* If the company is both provider and administrator, use 15%. If provider makes use of an administrator, use 22.5%.

**For companies where Section One of Part B applies, include with this form a data file, in Excel format, of Wisconsin policies whose total agrees to the amount in line (A) of Section One; this data file should include Service Contract Number, Contractholder Name, Contractholder Address, Effective Date, Expiration Date, Gross Amount Paid, Net Amount Paid, Sales Company Name, and Dealer Name (if applicable).**

Title of Officer	Name of Officer (type or print)
Date	Signature of Officer