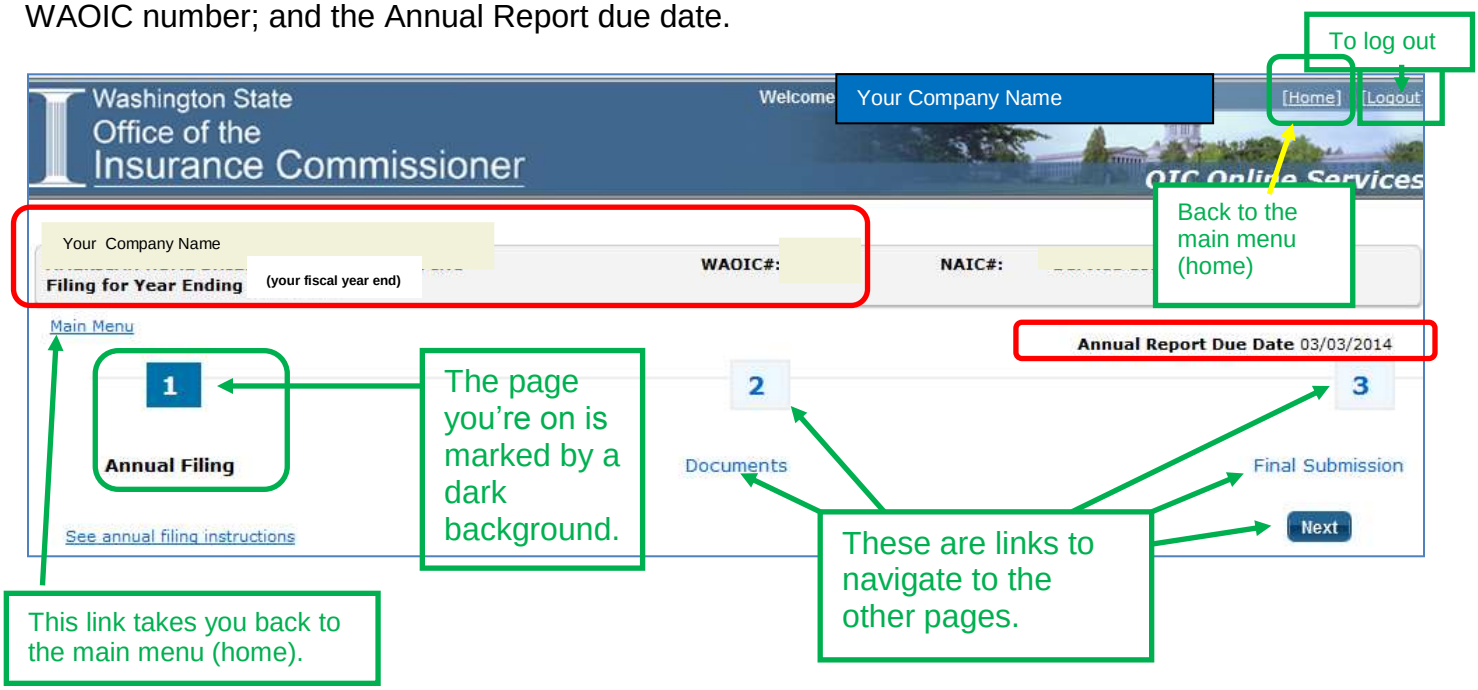
How to fill out the OIC Service Contract Provider Annual Report (Page 1)

This training material will help guide you through the steps to make your Service Contact Provider Annual Report filing with the OIC. Here is what page 1 looks like. Your form may have different options, depending upon whether your company is registered for vehicle, non-vehicle, or both.

We created this training material on a test site. The actual site may look different.

The beige banner near the top shows:
Your company name; date of the Annual Report;
WAOIC number; and the Annual Report due date.



At the bottom of the page, notice the *Save* button.

You can save your work and return later to continue. In addition, the system times out after a period of inactivity. This would cause you to lose any unsaved work.

You can print your Annual Report to a PDF file using the *Print* button. Please note that it will only print what you have saved. So generally, you'll want to save before you print.

The *Validate Filing* button will check to ensure that every required item has a response. If you haven't been to pages 2 or 3 yet, you will get validation errors for things you haven't seen yet. We recommend clicking the *Validate Filing* button when you believe that you've responded to every item and attached all the required documents.

This is a sample of what the Annual Report looks like:

General Questions

1. Since the previous annual report (or if this is your first annual report, since the initial registration) have there been any changes in:
   - A. Your legal status?
     - Yes
     - No
   - B. Capital structure or ownership?
     - Yes
     - No
   - C. Management Control?
     - Yes
     - No
   - D. The form of indemnification under RCW 48.110.050(2)?
     - Yes
     - No
2. During the filing year, did any state or other regulatory body take disciplinary action against the Registrant, or an officer or director of the Registrant?
   - Yes
   - No
3. Is more than 50% of the Registrant's gross revenue during the preceding year derived from the sale of service contracts?
   - Yes
   - No
4. Do all of your service contracts reference your legal name, as required in RCW 48.110.080?
   - Yes
   - No

Contract Requirements

Did the Registrant issue non-vehicle service contracts?
- Yes
- No

Solvency

At any time during the filing year, did the liabilities exceed assets?
- Yes
- No

Financial Responsibility

How does the Registrant ensure its financial responsibility?
- [ ] Reimbursement Insurance Policy
- [ ] Funded Reserve Account and Financial Security Deposit
- [ ] $100 million net worth or parent company guarantee

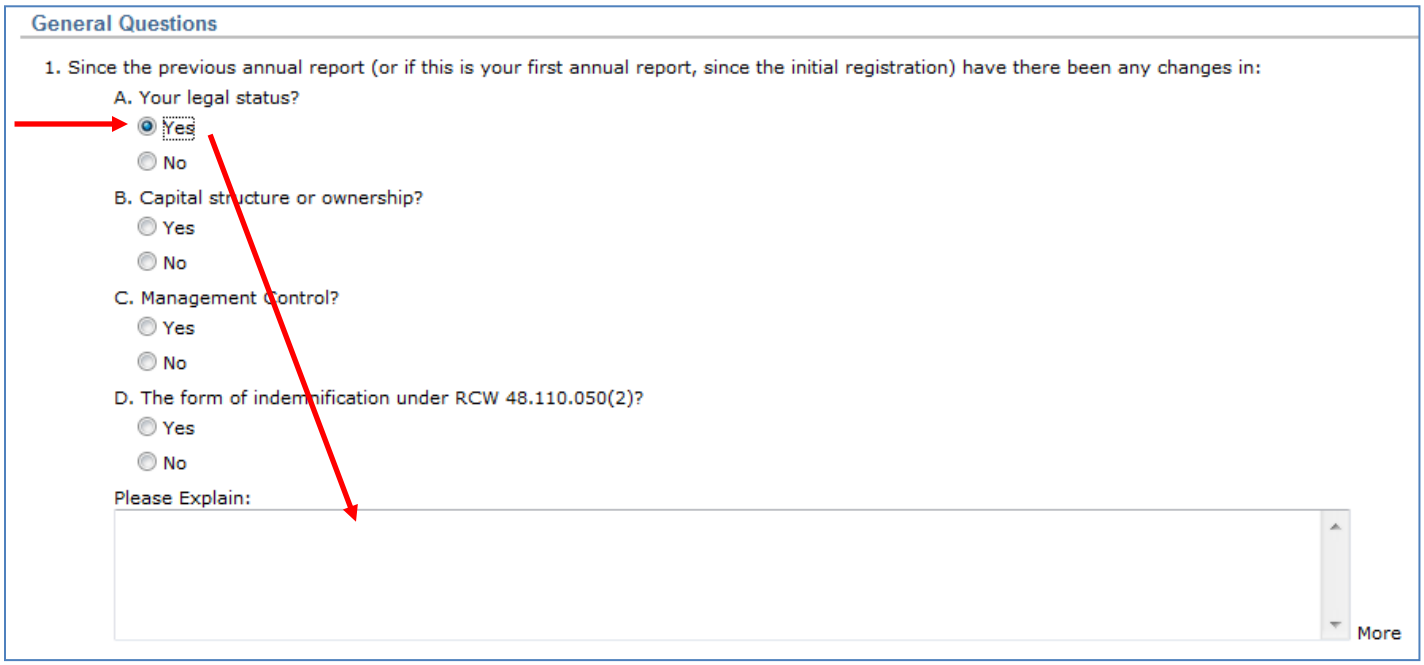
Financial Statements

Does (or will) the Registrant file a Form 10-K or Form 20-F with the U.S. Securities and Exchange Commission (SEC)?
- Yes
- No

Print | Validate Filing | Save

Flexible Format
Depending upon your responses, the Annual Report may ask for more information or documents.

For example, if you answer Yes in General Question #1, a box will appear asking you to explain further. Click in that box to type your explanation.



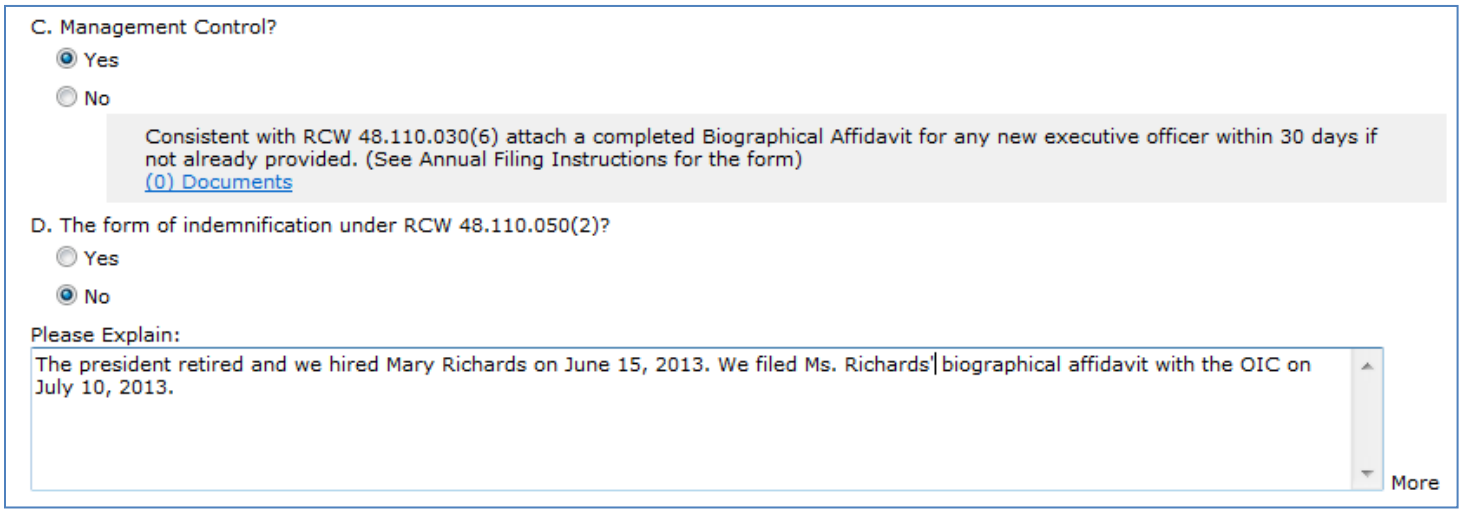
General Questions

General Question #1 — Changes

Please note that only one explanation box appears for question #1. Therefore, if you answer Yes more than once, you must type your responses for each Yes answer in the single *Please Explain* box.

General Question #1C is a little different. In addition to explaining the change in management control in the *Please Explain* box, Question #1C reminds you to upload a biographical affidavit for any new officer (you don't have to upload it if you've already filed it with the OIC).

If you haven't already filed the biographical affidavit, you can still file your Annual Report now and upload the biographical affidavit in the next 30 days. Here is a sample response:


C. Management Control?

(•) Yes

( ) No

Consistent with RCW 48.110.030(6) attach a completed Biographical Affidavit for any new executive officer within 30 days if not already provided. (See Annual Filing Instructions for the form)
(0) Documents

D. The form of indemnification under RCW 48.110.050(2)?

( ) Yes

(•) No

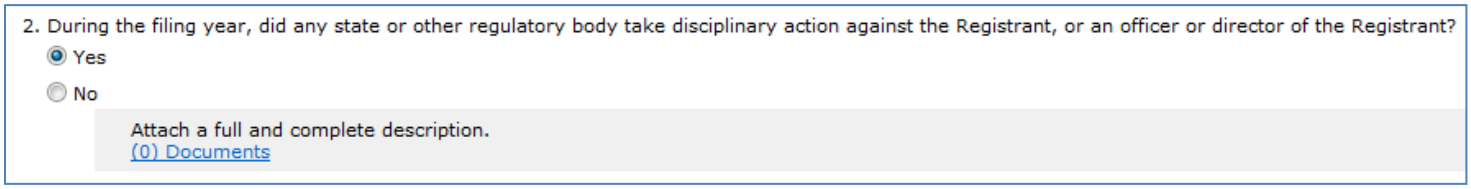
Please Explain:

The president retired and we hired Mary Richards on June 15, 2013. We filed Ms. Richards' biographical affidavit with the OIC on July 10, 2013.

More

General Question #2 — Regulatory Action

If any regulatory body took disciplinary action against the Registrant, an officer, or director, you will need to provide a detailed explanation in a separate PDF document that you upload with your Annual Report.


2. During the filing year, did any state or other regulatory body take disciplinary action against the Registrant, or an officer or director of the Registrant?

(•) Yes

( ) No

Attach a full and complete description.
(0) Documents

General Question #3 — Director and owner list
If service contracts are your primary business (meaning more than 50% of your gross revenue comes from the sale of service contracts), you must include a list of all directors, plus any person or entity that holds an interest of 10% or more in the Registrant. In addition, similar to General Question #1C, we include a reminder to file biographical affidavits for any new officers.

3. Is more than 50% of the Registrant's gross revenue during the preceding year derived from the sale of service contracts?
- (●) Yes
- ( ) No

Attach a current listing of all directors, and any person or entity holding a 10% (or greater) interest in the Registrant.
(0) Documents

If a director or other principal that the executive officers report has changed from the previous year consistent with RCW 48.110.030(6), attach a completed Biographical Affidavit within 30 days if not already provided.
(0) Documents

Contract Requirements
If you issued contracts in Washington during the year, you must answer a compliance question.

The question for non-vehicle contracts:

Did the Registrant issue non-vehicle service contracts?
- (●) Yes
- ( ) No

Did all non-vehicle service contracts issued in Washington during the year meet the 13 required language content provisions of RCW 48.110.070?
- ( ) Yes
- ( ) No

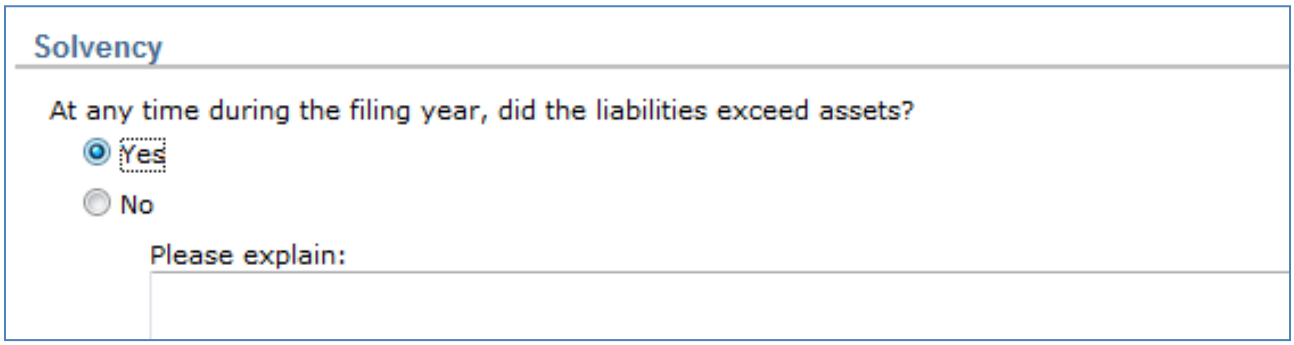
The question for vehicle contracts:

Did the Registrant issue vehicle service contracts?
- (●) Yes
- ( ) No

Have all vehicle service contract forms for contracts issued in Washington during the year been filed with the OIC Rates and Forms Division as are required under RCW 48.110.073?
- ( ) Yes
- ( ) No

Solvency

If the company was insolvent at any time during the year, you will need to explain the circumstances.



Financial Responsibility Options

The Vehicle line requires a Reimbursement Insurance Policy. A Non-Vehicle Registrant has three options that it can use to demonstrate financial responsibility. The options are:

1) A Reimbursement Insurance Policy;
2) The Funded Reserve Account and Financial Security Deposit; and
3) High Net Worth.

Financial Responsibility Option #1 — the Reimbursement Insurance Policy

If the Registrant has a reimbursement insurance policy, you will need to identify the company that issued the policy, the date of the policy, and some information about the policy.

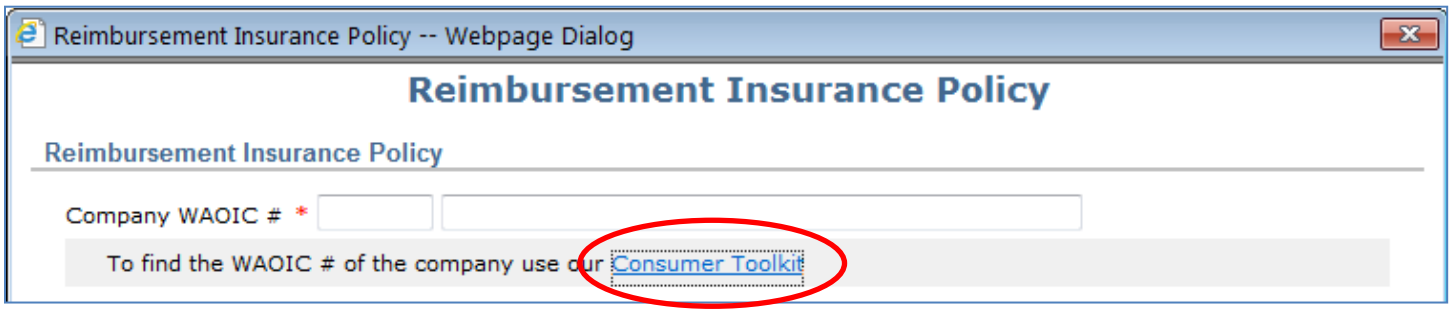
Check the box next to *Reimbursement Insurance Policy*.
(If you're registered for Vehicle, you can't change the check.)

Click the *Add Policy* link.

A new window titled *Reimbursement Insurance Policy* will open.

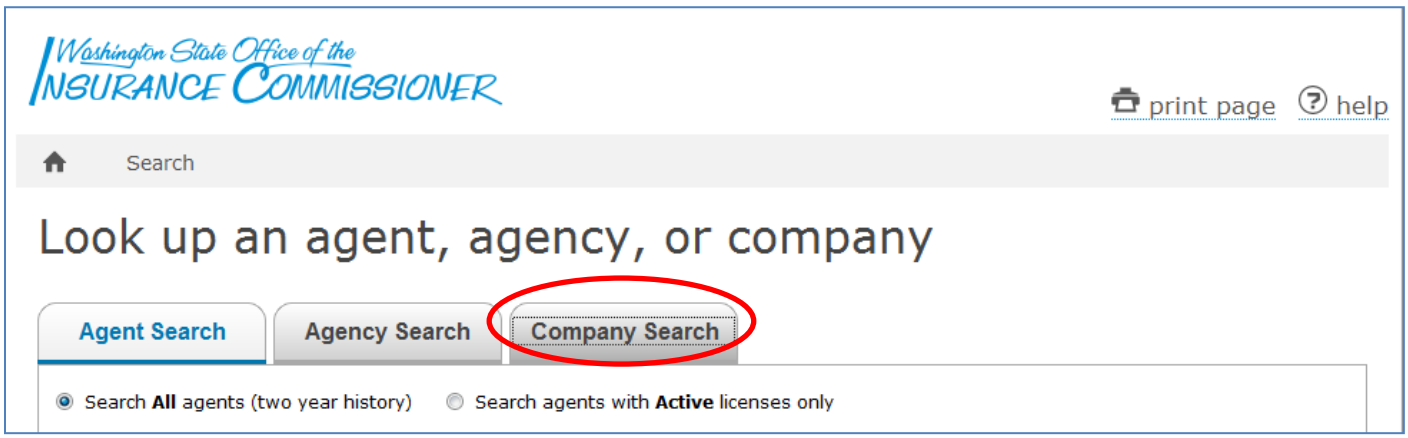
Type in the WAOIC number of the **company that issued your policy**. Do NOT enter your own WAOIC number.

To search for the WAOIC number, click the *Consumer Toolkit* link.

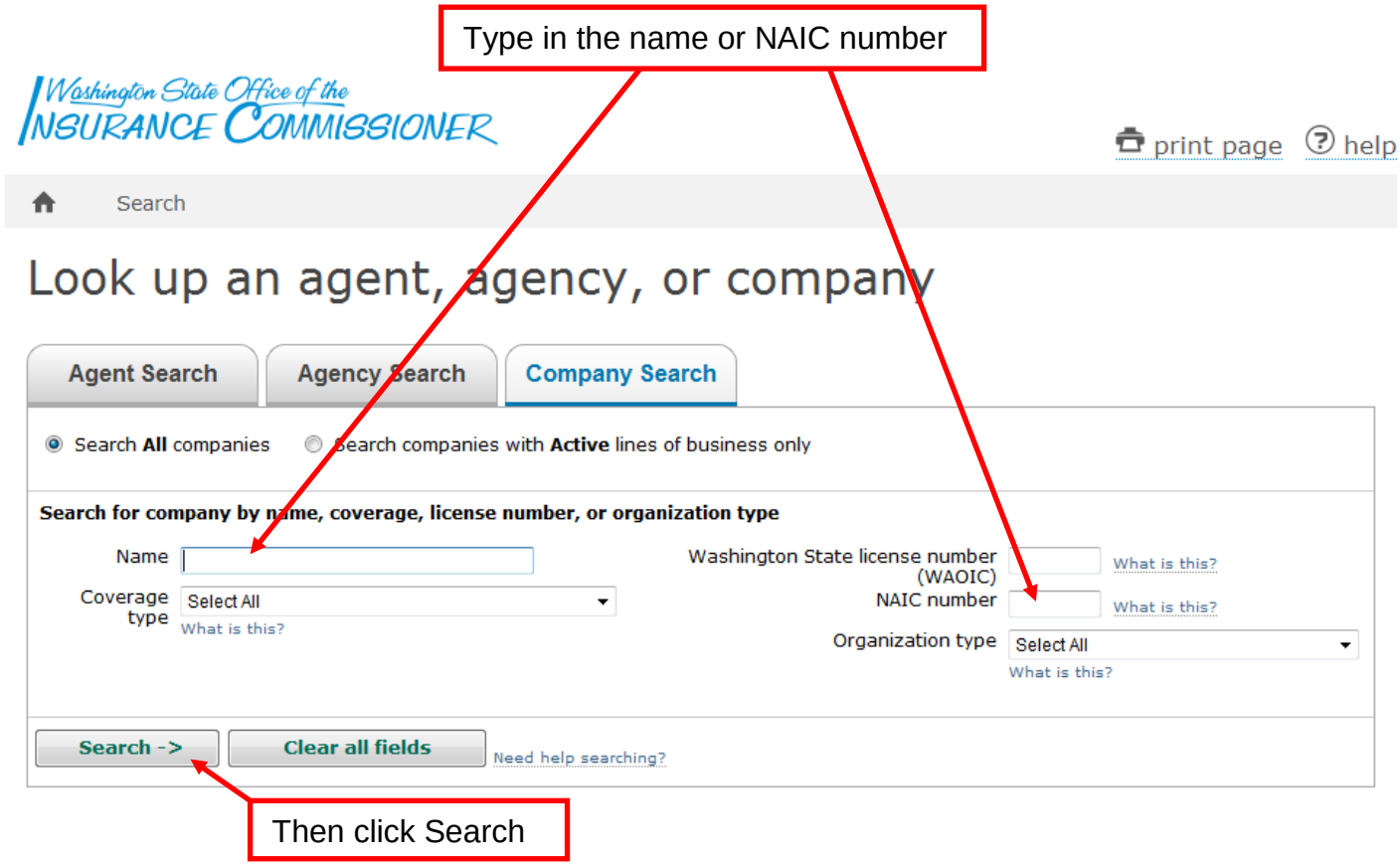


The OIC Consumer Toolkit opens a new window in your web browser. If for any reason the Consumer Toolkit doesn't open, go to http://www.insurance.wa.gov/consumertoolkit/search.aspx.

The default tab is for an Agent Search, so click the tab titled *Company Search*.

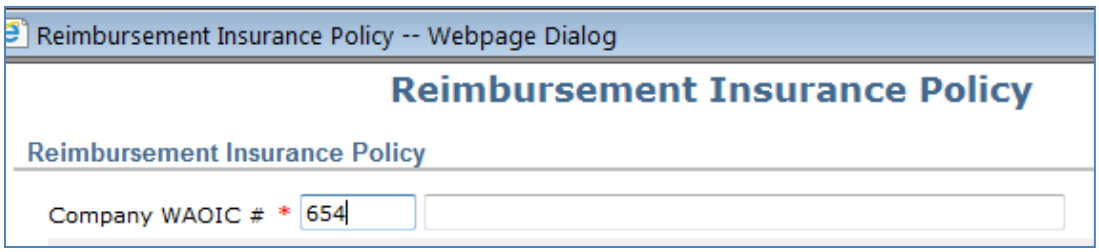


Type in the name or the NAIC number of the **company that issued your policy**. Then click the Search button.



Depending upon what you input, you may get results for more than one company. Therefore, ensure that you get the WAOIC number for the correct company.

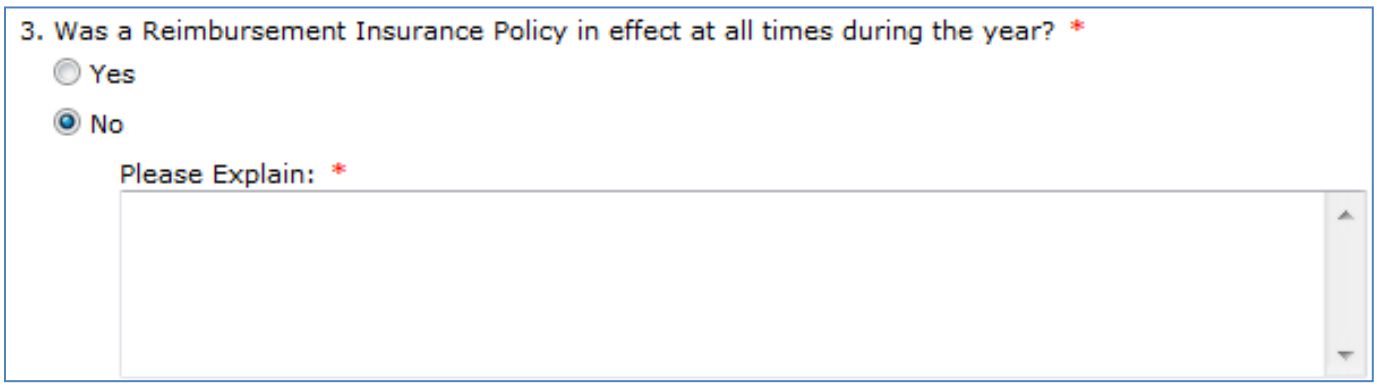
Now, go back to the Reimbursement Insurance Policy screen of the Annual Report. Enter the WAOIC number.



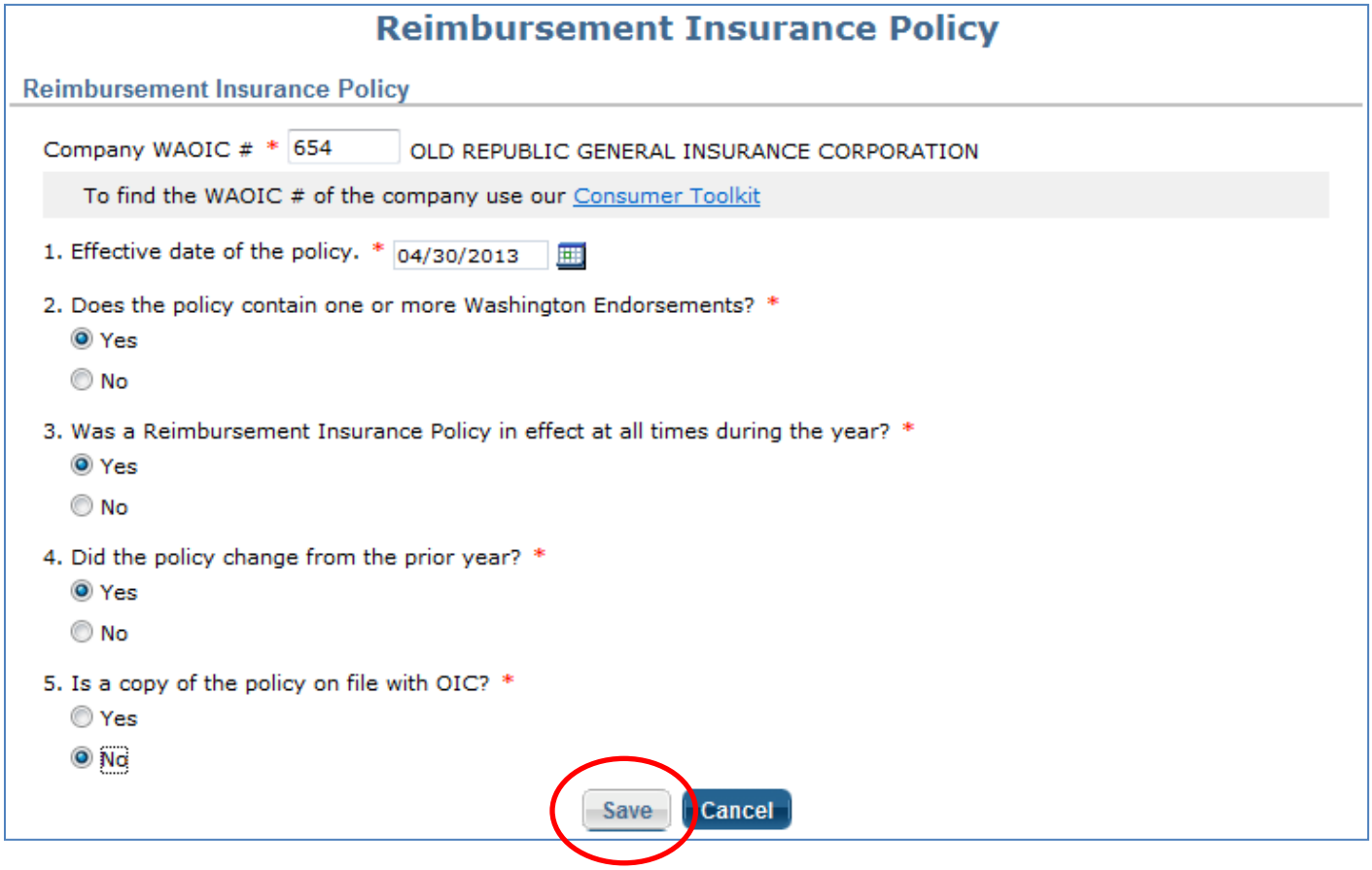
To get the system to update with the name, press the tab key on your keyboard or click somewhere else on the form. The system will add the name of the insurer. Please ensure that the company name is the one that issued your reimbursement insurance policy.

Now, respond to the rest of the questions.

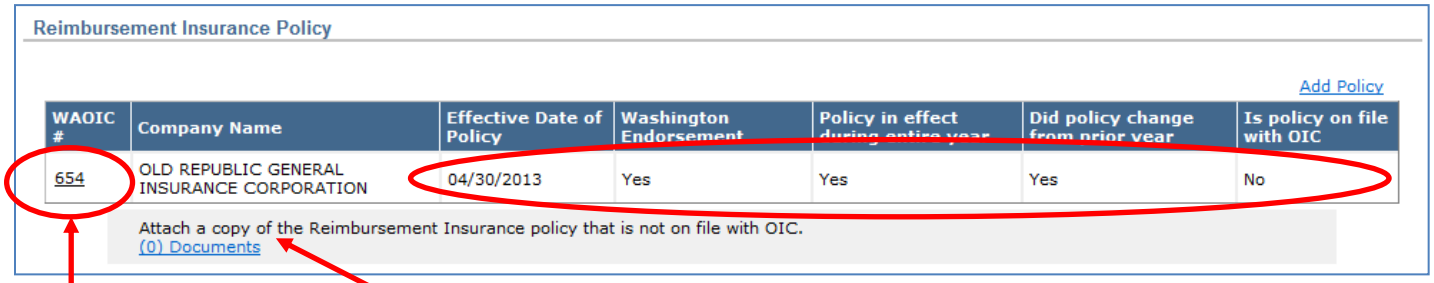
If a Reimbursement Insurance Policy was not in effect at all times during the year, you will need to provide an explanation.



When you've provided a response for all the questions, click the *Save* button.



Your Annual Report will now show the information that you input about the policy.



In this example, the policy was not already on file with the OIC. When that happens, we require you to upload a copy of the policy.

If you need to make a change to any of your responses, click the WAOIC number link.

If you have more than one Reimbursement Insurance Policy for Washington, click the *Add Policy* button again and enter the data for the other policies.

Financial Responsibility Option #2 —Funded Reserve Account and Financial Security Deposit
If the Registrant has a deposit under RCW 48.110.050(2)(b), check the box next to *Funded Reserve Account and Financial Security Deposit* and then fill in your information.
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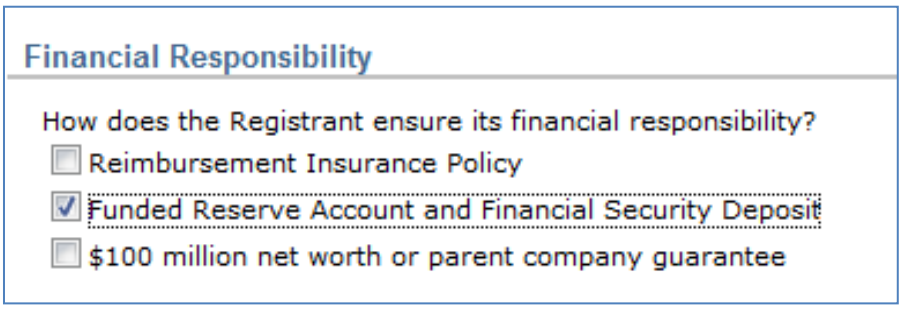
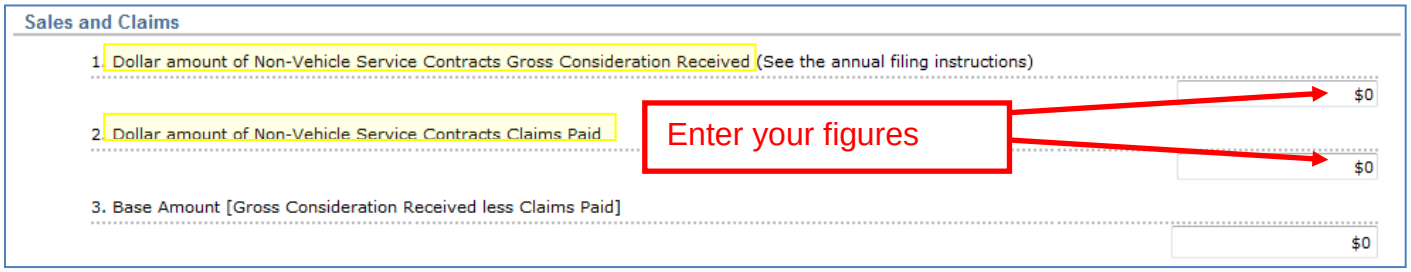
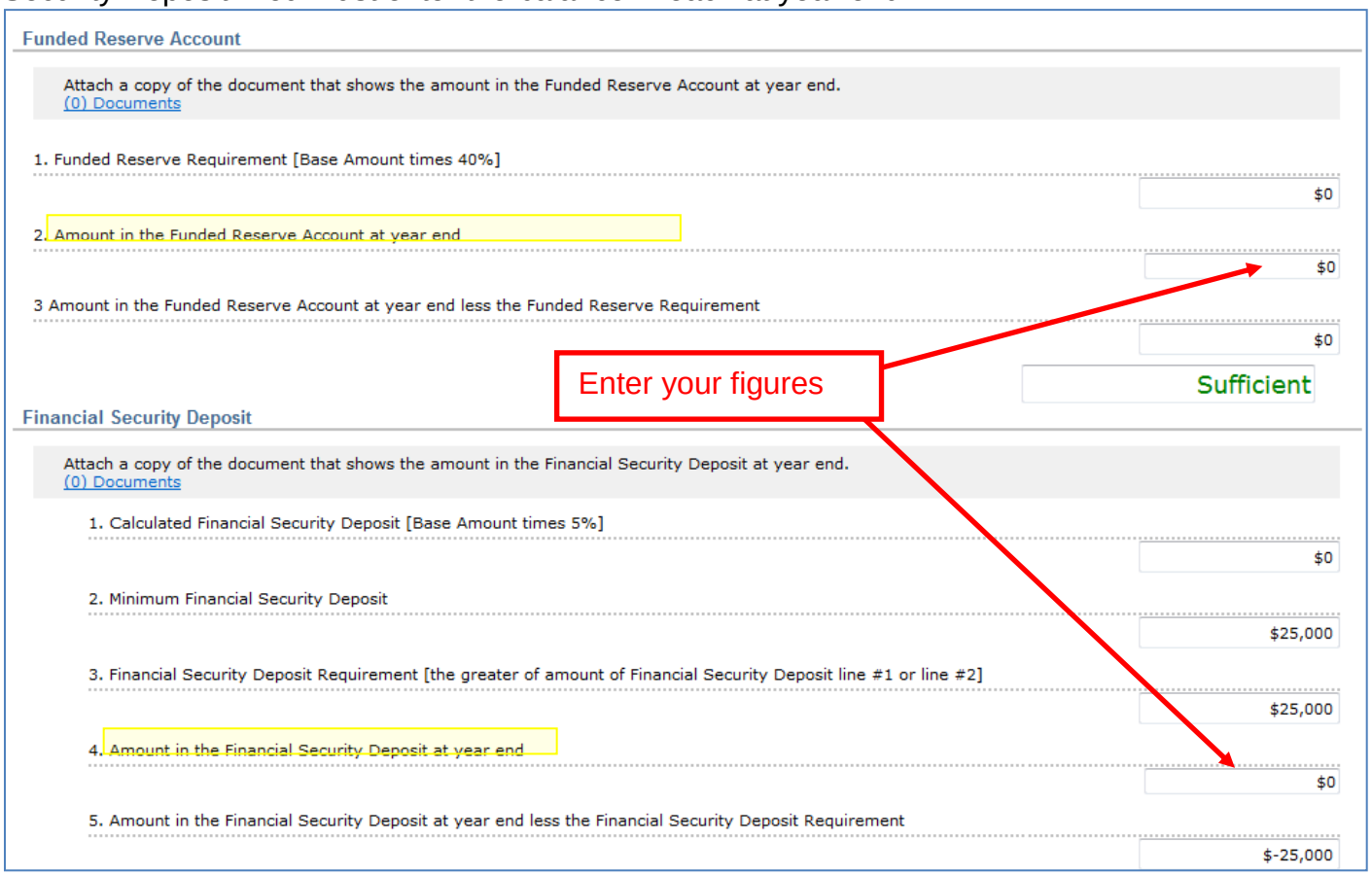


The amounts required for the Account and Deposit depend on the gross consideration received and claims paid. You enter those two figures and the form will calculate the difference.



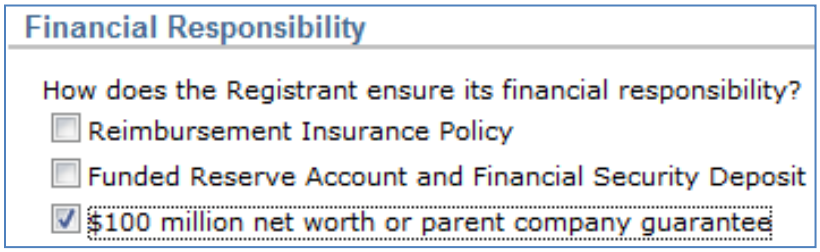
The form will also calculate the requirement for the Funded Reserve Account and the Financial Security Deposit. You must enter the balance in each at year-end.



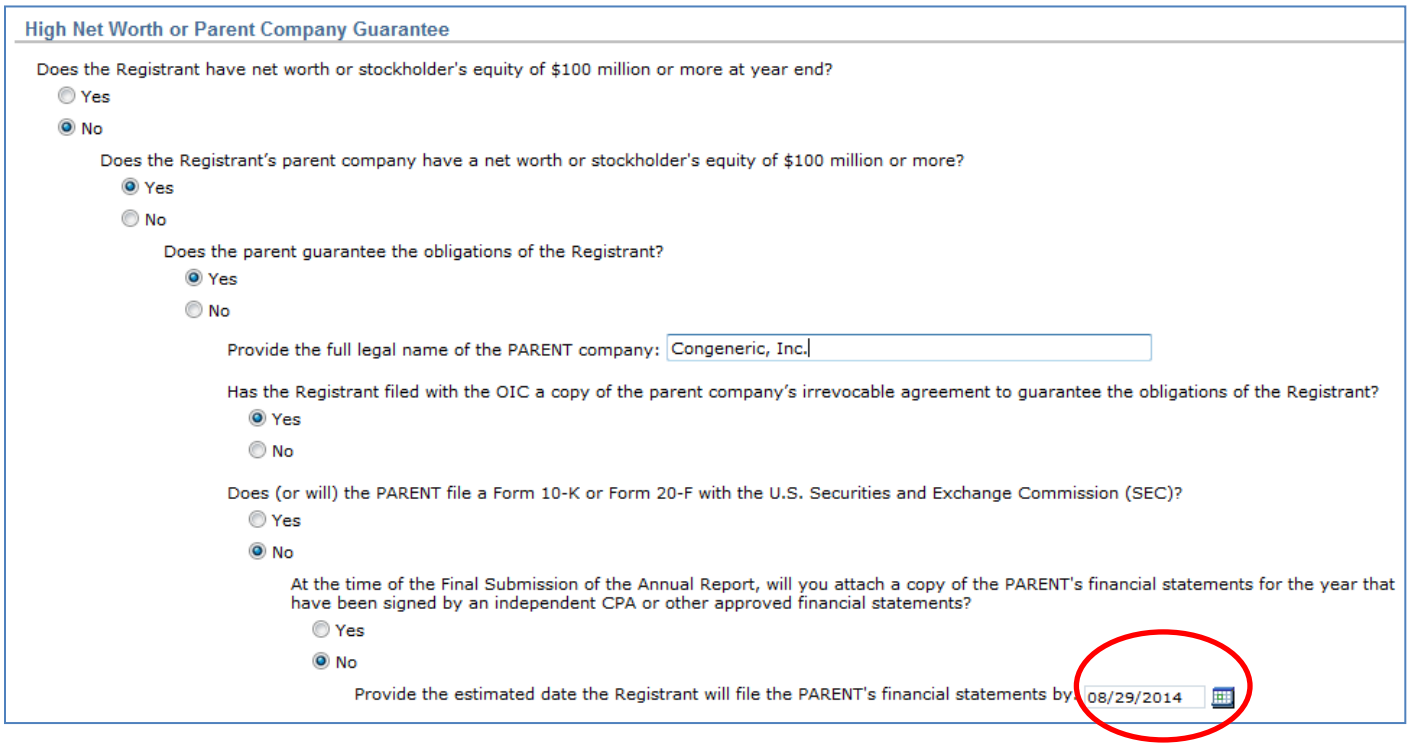
Please note that the Annual Report recalculates after you make an entry, so the form may indicate a deficiency until you enter all of your figures.

You must attach a copy of the document that shows that amount in both the Funded Reserve Account and Financial Security Deposit at year-end. If you use a surety bond, you need to include the document that shows you paid for the bond renewal.

Financial Responsibility Option #3 — High Net Worth or Parent Company Guarantee
For those companies with a net worth greater than $100 million or with an irrevocable guarantee from a parent company with a net worth greater than $100 million, the Annual Report will guide you through questions about your situation. Click the checkbox for this option.

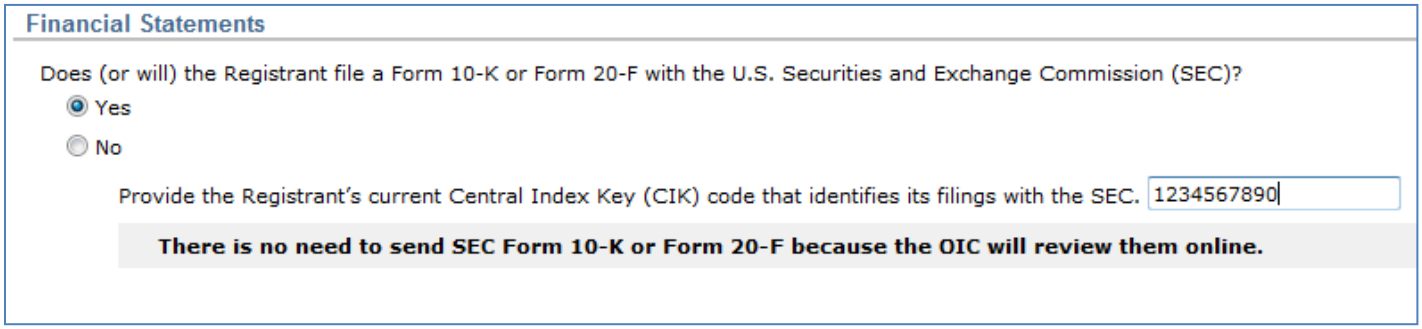


In this example, the Registrant's parent: (1) has net worth greater than $100 million; (2) has guaranteed the Registrant; (3) doesn't file its financial statements with the SEC, so, the Registrant must file the parent company's financial statements (when they become available).

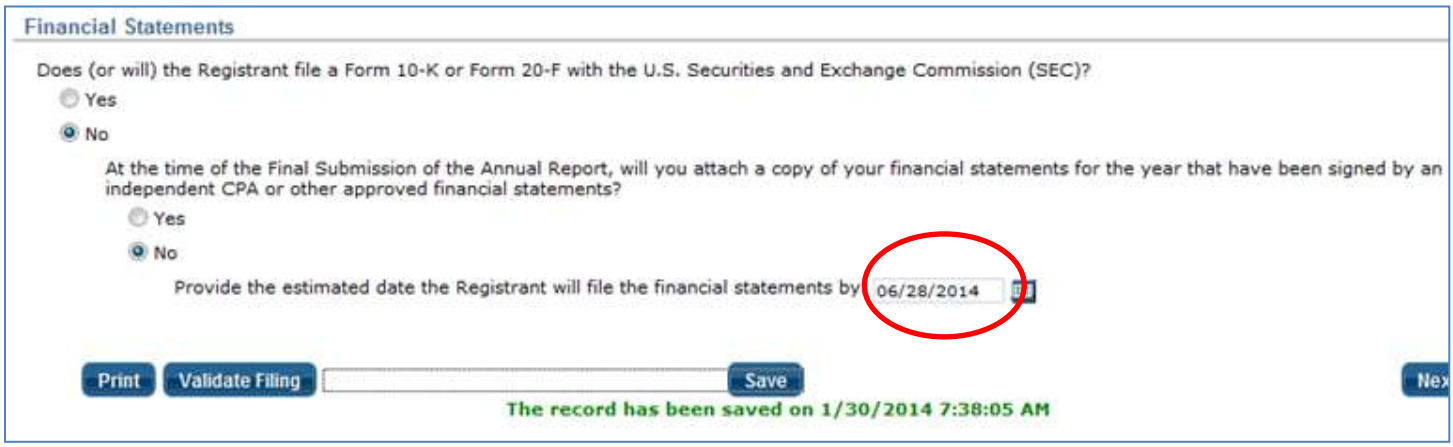


If your estimated financial statement filing date changes later, you should amend your Annual Report to update the estimated filing date.

Financial Statements (for the Registrant)
If the Registrant files with the SEC, then you only need to provide the CIK code.



Otherwise, the Registrant must file its financial statements with the OIC. Often, the financial statements for the filing year aren't available to file with the Annual Report. In that case, you enter the date that you expect to file them with the OIC.



If your estimated date changes, you should amend your Annual Report to update the estimated date of filing.

If your estimated due date passes and you haven't filed, our system will automatically start emailing you reminders until you file.

That concludes the question-and-answer portion of the Annual Report. Now would be a good time to save your work.

Next up: Attaching your supplements (Page 2).