TEXAS DEPARTMENT OF INSURANCE
Financial Regulation Division - Company Licensing and Registration (103-CL)
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TEXAS WORKERS' COMPENSATION SELF-INSURANCE GROUP (SIG) CHANGE IN PERFORMANCE OR FIDELITY BOND CHECKLIST

Fidelity bonds must protect against loss caused directly by an act of fraud or dishonesty by the employees of the administrator or service company and such fidelity bond shall include the Group as a loss payee as required by 28 Texas Administrative Code §5.6408.

Performance bonds must be in a format as set forth in 28 Texas Administrative Code §5.6408 (see Figure on page 2).

Please submit the following:

☐ SIG notification form (FIN468)

☐ A copy of the signed fidelity/performance bond.

☐ If the bond is from a surplus lines carrier, please provide an affidavit, signed by the Administrator or service company, the SIG, and agent that the surplus lines coverage was procured pursuant to Texas Insurance Code Chapter 981.

☐ An affidavit, signed by both the SIG and its Administrator or service company stating the following:

- The Administrator or service company will immediately inform the Commissioner in writing, no later than five (5) business days from the date the Administrator or service company first becomes aware of the cancellation or termination; and
- The Administrator or service company will immediately inform the SIG in writing, which in no event shall be later than five (5) business days from the date the Administrator or service company first becomes aware of the cancellation or termination.

Figure: 28 TAC §5.6408(c)

BOND OF SERVICE COMPANY FOR A WORKERS' COMPENSATION SELF-INSURANCE GROUP

Know all persons by these presents, that (name of service company), as principal, and (name of surety), as surety, being a surety company duly authorized to do business in the State of Texas, are held and firmly bound unto the (name of group or in the event of a receivership, the receiver) for the obligations and liabilities of the principal, arising from or related to providing claims services, in the sum of $_____, lawful money of the United States, for the payment of which sum we bind ourselves, our successors and assigns, jointly and severally.

The conditions of the above obligations are:

Whereas, the above named principal has entered into an agreement dated _____ with (name of group) to perform duties and services for the group.

Now, therefore, if the principal shall perform its duties and obligations under the agreement dated _____, then this obligation shall be void; otherwise, this obligation will remain in full force and effect.

PROVIDED, this bond may be canceled as a future liability by the surety upon sixty days written notice to the principal and the (name of group or in the event of a receivership, the receiver); however, such cancellation shall not discharge the surety's liability accrued during the term of this bond or which shall accrue in said sixty day period.

In witness whereof said principal and surety have executed this bond the _____ day of _____, 20__, to be effective the ___day of _____, 20__.

_____
Principal

_____
Surety

(reference TDI Form Number FIN 464)