

Professional Employer Organization Application for a Certificate of Approval to Sponsor a Client Employer Health Benefit Plan

Contact Information:

Name of Applicant _____

Application Contact Person _____

Mailing Address _____

Phone Number _____ Email _____

Organizational Information and Documentation:

Name of PEO _____

FEIN _____

Name of PEO's controlling person _____

Physical Address of Books and Records:

Street Address _____

City _____ State _____ Zip Code _____ Country _____

Attach the Following (please refer to the rule for complete requirements and descriptions of requirements):

- Exhibit A -The documents or instruments describing the rights and obligations between the PEO and its clients, including but not limited to all forms of its professional employer services agreement.
- Exhibit B - A description of the PEO's basic organizational structure, including organizational charts or lists that show (1)the relationship and contracts between the PEO and any affiliates of the PEO that affect the plan; and (2) the internal organizational structure of the PEO's management and administrative staff.
- Exhibit C - Certified copy of the PEO's license issued by the Texas Department of Licensing and Regulation.
- Exhibit D - Financial Statement of the PEO, dated no greater than 180 days prior to the date of this application, including a balance sheet that reflects a solvent financial position, an income statement, a cash flow statement, and the sources and uses of all funds.
- Exhibit E - Evidence the PEO has engaged or will engage a sufficient number of competent persons to administer the plan and provide claims adjusting and underwriting services to the plan. Disclose any suit or judgment filed in a matter involving dishonesty, breach of trust, or a financial dispute within the last 10 years against the applicant, an ultimate controlling person, or any other persons from whom biographical information is provided as part of this application.
- Exhibit F - IF APPLICABLE - for all plans sponsored by the PEO, a list of and access to all reports for the last three years created and filed with the United States Department of Labor as required compliance with ERISA.

Plan and Trust Information and Documentation:

Attach the Following (please refer to the rule for complete requirements and descriptions of requirements):

- Exhibit A - Each organizational document of the plan and trust, including the plan document; the plan's summary plan description, created in compliance with ERISA, and the trust agreement.
- Exhibit B - Name of the named fiduciary or fiduciaries who jointly or severally will have authority to control and manage the operation and administration of the plan, as required by ERISA. Include (1) a flowchart or schematic outlining the management functions of the plan and trust; and (2) biographical forms and evidence of fingerprints (submitted electronically to TDI or TDLR) for each person who governs or manages the affairs of the plan/trust.
- Exhibit C - Evidence of trustee's fidelity coverage with a fidelity bond or zero-deductible crime policy. Evidence of an errors and omissions policy in the amount of \$500,000 to cover the performance of their duties to the plan and trust.
- Exhibit D - Financial Projections of the trust covering three full years of operation.
- Exhibit E - Proof of deposit or letter of credit equal to 25% of the attachment point for the year 1 projections; a written investment plan; actuarial opinion supporting the structure of the plan; a description of the applicant's plan to service plan billings, claims, and underwriting; the name and Texas license number of each contracted regulated entity the trust proposes to engage to service the plan, and a copy of each agreement or proposed agreement with a contracted regulated entity.

Attestation:

We, the undersigned, acknowledge that we are the _____ and _____ of the applicant PEO, and
(President or CEO) (Treasurer or CFO)
are authorized to execute this document on behalf of the applicant PEO.

We, the undersigned, hereby attest that the plan and trust have been established in compliance with 28 Tex. Admin. Code §13.550 and 13.551.

We, the undersigned, are aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license discipline or other administrative actions and may subject the applicant PEO, to administrative, civil and/or criminal penalties or sanctions.

We, the undersigned, swear that the representations and information provided in this application is true and correct. We each understand that the commissioner of insurance and the Texas Department of Insurance are relying on the representations and statements made in this application when considering this application.

We, the undersigned, hereby certify under penalty of perjury under the applicable laws of the state of Texas, that all of the foregoing is true and correct, and are acting in good faith.

President/CEO Signature

Treasurer/CFO Signature

Printed Name and Title

Printed Name and Title

Date

Date

Service of Process:

Pursuant to Tex. Ins. Code 31.041, the Commissioner of Insurance has delegated authority related to service of process to the Department's General Counsel, General Counsel staff, the Chief Clerk, and the Office of Chief Clerk staff. The delegated authority includes but is not limited to, the appointed authority to receive, acknowledge, and forward service of process to the appropriate persons as set out in Chapter 804 of the Texas Insurance Code.

_____ (full name of PEO) appoints the Commissioner of Insurance as its resident agent for purposes of service of process as required by Texas Labor Code, §91.0411(e).

Signed on this _____ day of _____, 20 _____.

President/CEO Signature

Treasurer/CFO Signature

Printed Name and Title

Printed Name and Title

Date

Date

BEFORE ME, _____ on this day personally appeared
(Name of Notary Public)

_____ both
(Name of President/CEO and Treasurer/CFO)

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and considerations therein expressed, in the capacities therein stated, and as the act and deed of said company.

Given under my hand and seal this _____ day of _____, 20 _____.

(notary seal)

Notary Public Signature

My commission expires _____