

Notification to the Commissioner of Insurance for Registration as a Purchasing Group (PG1)

Pursuant to Texas Insurance Code Ch.2201.001

Section I: Purchasing Group Information

1. Full Name of Purchasing Group

2. Principal Place of Business - Physical and Mailing Addresses

a. Physical Address: _____

City _____ State _____ Zip Code _____

b. Mailing Address: _____

City _____ State _____ Zip Code _____

3. Contact Information

a. Purchasing Group Contact Person _____

Phone Number _____ Email _____

b. Regulatory Liaison _____

Phone Number _____ Email _____

Mailing Address: _____

City _____ State _____ Zip Code _____

4a. Domiciliary State _____ 4b. Date registered in domiciliary state _____

5. U.S. State w/ highest aggregate premiums _____

6. Lines and classifications of liability insurance to be purchased

7. Type of business, trade, product, services, premises or operations of group members

Section II: Insurer Information (If reporting multiple insurers, please see instructions)

1. Insurer's Name _____

2. Principal Place of Business

Mailing Address: _____

City _____ State _____ Zip Code _____

3. Domiciliary State _____

4. Insurer is recognized in Texas as (select one)

Admitted Risk Retention Group Surplus Lines

Section III: Agent Information (If reporting multiple agents, please see instructions)

1. Name of Agent/Agency _____

Mailing Address: _____

City _____ State _____ Zip Code _____

Phone Number _____

Contact person if agency is listed _____

Email address of contact person _____

Agent responsible for signing PG3 form _____

Email address of person signing PG3 form _____

2. Type of License Held by Agent

General Lines Property & Casualty Agent TX License Number _____

Surplus Lines Agent TX License Number _____

Section IV: Additional Requirements (Please read each item carefully)

1. Required Disclosures

- a. Have Texas members of the purchasing group been informed that the insurer or risk retention group:
- | | Yes | No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| i. may not have protection by an insolvency guaranty fund coverage written through the purchasing group, and | <input type="checkbox"/> | <input type="checkbox"/> |
| ii. that the insurer is not subject to all the insurance laws and regulations of this state? (This notice is applicable to both licensed insurers and surplus lines insurers.) | <input type="checkbox"/> | <input type="checkbox"/> |

b. Please describe (on a separate sheet of paper) the method used to inform each purchasing group member, which have risks located in Texas, that such risks may not be protected by an insurance insolvency guaranty fund that the insurer may not be subject to all insurance laws and regulations of this state.

- | | | Yes | No |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----|--------------------------|
| 2. Has the purchasing group management read the tax procedures set out under the Texas Insurance Code, Chapter 2201.257? | <input type="checkbox"/> | | <input type="checkbox"/> |
| 3. Does the purchasing group management understand the tax procedures? | <input type="checkbox"/> | | <input type="checkbox"/> |
| 4. Does the purchasing group management understand that it must notify the department of any changes with regard to the information supplied on this form by filing an amended registration, Form FIN417 (PG1R)? | <input type="checkbox"/> | | <input type="checkbox"/> |
| 5. Has each agent been notified that they must report to the Commissioner of Insurance, no later than March 1, the activities and scope of services they provided to the purchasing group for the previous calendar year, using Form FIN415 (PG3)? | <input type="checkbox"/> | | <input type="checkbox"/> |
| 6. Furnish a list of all officers and directors of the purchasing group indicating positions. | | | |
| 7. Attach a completed Appointment of Commissioner as Agent, Form FIN416 (RRG/PG PC1). | | | |
| 8. Attach the required filing fee of \$50.00, made payable to the "Texas Department of Insurance" for the initial filing of registration. Renewal registration does not require the payment of a filing fee. | | | |
| 9. Attach current verification letter(s) of registration from domiciliary jurisdiction and the state of highest aggregate premiums. If domiciliary jurisdiction is the same as highest aggregate premium state, only one letter is necessary. Certifications from the Secretary of State are not acceptable as proof of registration. | | | |

Section V: Affirmation and Execution

I certify that all statements and information in the registration are true and correct and that I have the authority to execute and file this registration for the purchasing group.

Signature Printed Name and Title

State of _____

County of _____

Before me, _____, a notary public in and for the state, on this day personally appeared _____, known to me or proved to me on the oath of _____ or through _____ (description of identity card) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s(he) executed the same for the purpose and consideration therein expressed.

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

Notary Public

Printed Name

My commission expires _____

Instructions for Purchasing Group Registration

Please read ALL instructions carefully.

The Form PG1 was adopted to meet the requirements of Texas Insurance Code, Sec. 2201.001. The form must be completed and processed by this office prior to the solicitation of Texas members. The following are areas that require special attention or explanation.

Section I: Purchasing Group Information

1. This should be the full and complete name as registered with the domiciliary state.
2. Principal Place of Business Address - You must include both the physical address and mailing address of the purchasing group.
3. Purchasing Group Contact Person - the representative of the purchasing group. Regulatory Liaison - for purchasing groups using a third party for regulatory forms and general contact information.
4. Domiciliary State - The group must be registered as a purchasing group with the Department of Insurance in the state listed and must provide current verification of the registration. You must include the date the group was registered in its domiciliary state.
5. State of highest aggregate premium - Texas Insurance Code, Sec. 2201.252 defines "located" or "location", for the purposes of determining the state in which a purchasing group is located , "means the state in which the highest aggregate premiums are in force on the date the group policy is written or renewed and shall be ascertained upon each placement of renewal by the purchasing group of insurance with an insurer or risk retention group." The purchasing group must be registered with the Department of Insurance in the state listed and provide current evidence of the registration for Texas.
6. Lines and classifications of liability insurance to be purchased - Must be specific about which lines of liability coverage are being written. **No property coverage, personal liability, or employer's liability coverage is acceptable.**
7. For all lines and classifications of liability listed in number 6, you must reflect the type of business, trade, product, services, premises or operations of group members - Provide a description of the business activities or type or product or services offered or what type of premises or operations which make the group membership similar or related.

Section II: Insurer Information

Must be completed for each insurer providing coverage for the purchasing group in Texas. If submitting more than one insurer, attach a page with the additional names in the same format as the registration form. **At least one insurer must be listed on the PG1 Form.**

Section III: Agent Information

Must be completed for each agent soliciting group members. If submitting more than one agent, attach a separate page with additional names in the same format as on the registration form. At least one agent must be listed on the PG1 form. **If listing an agency, include the name and email address of the contact person responsible for submitting the PG3 form and who can respond to regulatory inquiries.**

If reporting multiple insurers and agents, the group must specify the company to be represented by a specific agent. Please note the following examples:

- A. 2 Companies (one listed, one surplus lines) - 2 Agents (one general lines, one surplus lines) - the general lines agent is responsible for business placed with the licensed insurer and the surplus lines agent is responsible for the procurement of coverage from the surplus lines insurer.

B. 2 Licensed Companies - 2 General Lines Agents - Each agent has appointment with only one of the companies; agent must identify which company he/she is representing.

The agent or agency of the group must have a current appointment to represent the licensed insurer(s) of the purchasing group.

Note: There are no provisions for a Managing General Agent to write purchasing group coverage. According to Texas Insurance Code, Chapter 2201.004:

"No person, firm, partnership, or corporation shall act or offer to act as an agent for a purchasing group or aid in any manner in the solicitation, negotiation, or placement of insurance on behalf of a purchasing group operating in this state or any of its members in this state without first obtaining a license as an agent pursuant to Chapter 4051 of this code in the case of a resident of this state or Chapter 4051 of this code of a nonresident of this state. Furthermore, no person, firm, partnership, or corporation shall act or offer to act as agent or aid in any manner in the solicitation, negotiation, or placement of insurance with an insurer not qualified to do business in this state on behalf of a purchasing group or its members located in this state without first complying with Chapter 981, of this code. No person, firm, partnership or corporation shall solicit members of the purchasing group for coverage under the purchasing group's policy without first obtaining proper licensing to act as insurance agent."

Name of Agent - Must be the same as appears on the license. "DBAs" or trade style names are not acceptable unless registered with this department.

Section IV: Additional Requirements

Item 1b - You must describe (on a separate sheet of paper) the method used to inform each purchasing group member, which have risks located in Texas, that such risks may not be protected by an insurance insolvency guaranty fund and that the insurer may not be subject to all insurance laws and regulations of this state. Surplus lines insurers must also adhere to Texas Insurance Code, Sec. 981.101 and Texas Administrative Code, Sec. 15.25.