



North Carolina Department of Insurance

Mike Causey, Commissioner

Professional Employer Organization License Application

**North Carolina Department of Insurance
Financial Analysis and Receivership Division
Special Entities Section
1203 Mail Service Center
Raleigh, NC 27699-1203
(919) 807-6612
www.ncdoi.com**

Application Instructions

1. The application must be completed in its entirety. All questions must be answered and required items submitted. **IF AN ANSWER IS 'NO', 'NONE' or 'NOT APPLICABLE', SO STATE.** Incomplete applications will be returned to the Applicant. No application will be considered complete until all requested information is received.
2. Additional pages should be attached indicating the specific items for which the additional information is being provided if extra space is required to respond to any of the items in the application.
3. The payment of the application fee must be submitted with the application.
4. The surety bond, letter of credit, or cash deposit required pursuant to N.C.G.S. § 58-89A-50 must be submitted with the application.
5. The completed application should be submitted to:

Christine.Williams@ncdoi.gov

6. A license, if issued, will be in the name of the Applicant.
7. Please contact the Financial Analysis and Receivership Division of the North Carolina Department of Insurance at (919) 807-6612 if you should have any questions.

Section 1. General Information

A. Applicant Data

Date of Application:

Application is for a: ☐ Individual PEO License ☐ Group PEO License

Legal Name of Applicant:

Other Names Under Which the Applicant Conducts Business (Assumed Names):

.....

Principal Office Address:

.....

Phone Number: Fax Number:

Mailing Address (if different):

.....

Organizational Structure: ☐ Corporation ☐ Limited Liability Company

☐ General Partnership ☐ Limited Partnership

☐ Sole Proprietorship ☐ Other (describe)

Date of Organization: State of Organization:

Federal Employer Identification Number:

Fiscal Year-End: Total Number of Assigned Employees (All States):

Contact Name:

Contact Title:

Contact Mailing Address:

.....

Contact Phone Number: Contact Fax Number:

Contact E-Mail Address:

Location of Business Records:

.....

Applicant Data (continued)

If the Applicant is organized in the State of North Carolina provide the name and address of the Applicant's registered agent:

☐ Not Applicable

Name:

Address:

B. Previous Names of Applicant

Provide a list by jurisdiction of each name under which the Applicant has operated in the preceding five (5) years, including any alternative names, names of predecessors and, if known, successor business entities. The list shall include the parent company name, if any, and any trade name, trademark, or service mark of the Applicant:

☐ Not Applicable

Name	Jurisdiction

C. Applicant PEO Group Information

Is the Applicant a part of a group of entities under common control that is applying for a group license in accordance with N.C.G.S. § 58-89A-35?

☐ Yes ☐ No

- If "Yes", complete the questions below and submit an executed Form PEO-03 (Unconditional Cross Guaranty Agreement Between Professional Employer Organization Group Members Made for the Direct Benefit of the Commissioner of Insurance In His Official Capacity) and an executed Form PEO-16 (Corporate Resolution of Guarantor). Only one Form PEO-03 is required per group.
- If "No", skip the questions below and move to subsection D.

Name of Group:

Name of Ultimate Controlling Person:

Is the Ultimate Controlling Person a PEO?

☐ Yes ☐ No

- If "No", and the PEO Group is submitting consolidated financial statements of the ultimate controlling person, submit an executed Form PEO-14 (Unconditional Guaranty Agreement Between Professional Employer Organization Group Members and Guarantor Made for the Direct Benefit of the Commissioner of Insurance In His Official Capacity) and an executed Form PEO-16 (Corporate Resolution of Guarantor). Only one Form PEO-14 is required per group.

Applicant PEO Group Information (continued)

Ultimate Controlling Person Address:

Phone Number: Fax Number:

Please list the names of each entity applying for group licensure as a member of the above referenced group:

- | | |
|---------|---------|
| 1. | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | 8. |

Each entity named above must submit a separate application.

D. Applicant Business History

Please complete the questions below relating to the Applicant. If any question is answered "Yes," attach a separate addendum detailing the circumstances (including any applicable details such as state, license number, dates, etc.).

- | | |
|---|--|
| 1. Has the Applicant ever been denied a license, registration or certification in any state? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Has the Applicant ever had a license, registration, or certification revoked, suspended, or otherwise acted against including probation, fine, or reprimand in a disciplinary proceeding in any state? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Has the Applicant ever filed for protection under the Bankruptcy Act? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Has the Applicant ever failed to satisfy any tax liabilities? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5. Has the Applicant ever had a lien or levy placed against it? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6. Is any license, registration or certification held by the Applicant under investigation or pending disciplinary action in any state? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 7. Is the Applicant under indictment or under a "cease and desist" order from any jurisdiction or territory in the United States? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 8. Is the Applicant currently, or ever been, the subject of any state or federal government investigation or audit regarding the payment of wages or taxes; the funding or administration of any employee benefit plan or workers' compensation program; employment practices; licensing or registration; or any other matter arising out of a complaint filed by an employee, client, insurer, regulator or another PEO? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 9. Has the Applicant ever been the subject of a governmental investigation? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 10. Is the Applicant currently disputing any material obligations to an insurance carrier, benefit administrator or trust, or taxing authority? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Applicant Business History (continued)

11. Is there any litigation or legal proceeding currently pending or threatened against the Applicant other than in the normal course of business?

☐ Yes ☐ No

12. Is the Applicant delinquent, as of the date of application, with respect to any of its obligations for payroll, payroll related taxes, workers' compensation insurance or employee benefits? If yes, provide a detailed explanation for each occurrence.

☐ Yes ☐ No

Section 2. Controlling Persons, Officers, and Directors

IMPORTANT: Fill out each section completely, even if the same individual is listed in several sections of this form.

*** Please ensure a Biographical Affidavit (Form PEO-02) is submitted for each controlling person (not including entities that are controlling persons), officer, and director listed below.

Controlling Persons based on ownership:

Please list the names of all persons or entities who directly or indirectly own, control, hold with the power to vote, or hold proxies representing ten percent (10%) or more of the voting securities of the Applicant:

Name	Shares Owned	Ownership %	Social Security No./ FEIN

Officers, Directors and Controlling Persons based on position:

Please list the names and titles/positions of all officers, directors and any person who is a controlling person based on their position with the Applicant:

Name	Title/Position	Social Security No.

Officers, Directors and Controlling Persons based on position (continued):

Name	Title/Position	Social Security No.

Other Controlling Persons:

Please list any other person who has by contract, other than a commercial contract for goods or nonmanagement services, or otherwise, or in fact exercises the authority or power to control the management and policies of the Applicant or to obligate the Applicant with respect to a material contractual matter such as entering into a professional employer service contract with a client company. **IF NONE, SO STATE.**

Name	Relationship to Applicant	Social Security No.

Section 3. NC Operations and Client Companies

A. North Carolina Operations

Provide a list of all offices located in North Carolina:

☐ Check if the Applicant has no North Carolina offices.

Address	Contact Person	Telephone Number

Describe the Applicant's operations within the State of North Carolina. Include in this description whether the Applicant is currently offering or engaging in professional employer services in North Carolina and the total number of assigned employees in North Carolina as of the date of Application.

B. North Carolina Client Companies

Provide a list of all client companies in North Carolina. For client companies having multiple locations with the same FEIN, please list only the headquarters location. This information may be provided by a separate report if all the requested information is included in the separate report:

Client Company Name	Principal Office Address	FEIN	# of Assigned Employees in NC	Date Assigned Employees Began in NC	Telephone Number	Workers' Compensation Code*	Date Relationship Initiated

* Business Classification Code

Section 4. Surety Bond; Letter of Credit; Other Deposits

In accordance with N.C.G.S. § 58-89A-50, an Applicant for licensure shall file with the Commissioner a surety bond, letter of credit, cash, or securities in the amount of one hundred thousand dollars (\$100,000) for the benefit of the Commissioner. An Applicant whose current assets do not exceed current liabilities pursuant to N.C.G.S. § 58-89A-60(b) shall file an additional surety bond or other items set forth below equal to, or in excess of current liabilities less current assets.

Please provide one of the following and submit it with the Application:

- 1) A surety bond in favor of the State of North Carolina, in a form acceptable to the Commissioner (Form PEO-08), issued by an insurer authorized by the Commissioner to write surety business in the State of North Carolina;
- 2) An irrevocable letter of credit in a form acceptable to the Commissioner (Form PEO-09), issued by a financial institution, the deposits of which are insured by the Federal Deposit Insurance Corporation; or
- 3) Cash or securities, as specified in N.C.G.S. § 58-5-20. If depositing cash or securities Form PEO-07 must be completed and forwarded to the Department. (Contact the Financial Analysis & Receivership Division - Special Entities Section, at 919-807-6178 for more specific instructions.)

Note: If applying for a Group Professional Employer Organization License, only one surety bond, letter of credit, or cash/security deposit is required per Group.

All forms can be obtained from the North Carolina Department of Insurance website located at:

<https://www.ncdoi.gov/licensees/professional-employer-organizations-peos/professional-employer-organizations-forms>

Section 5. Other Information

Exhibits or attachments requested below are required and must be provided before the application is considered complete. If a requested item is not applicable or available, include an explanation in place of the requested exhibit or attachment stating the reason(s) why it is not applicable or available. Failure to comply may result in your application being delayed or denied.

1. Submit a Biographical Affidavit (Form PEO-02) for each controlling person (not including entities that are controlling persons), officer, and director listed in Section 2 of this application
2. If the Applicant is a nonresident submit an executed Form PEO-04. Please be sure to affix the Applicant's corporate seal to the PEO-04 document. **If the Applicant does not have a corporate seal, write 'no seal' on the PEO-04.**
3. Attach an executed Applicant/Licensee Obligations Attestation (Form PEO-05).
4. In accordance with N.C.G.S. § 58-89A-60(b), submit a copy of the Applicant's most current audited financial statement, prepared as of a date not more than 120 days before the date of application that demonstrates the Applicant has a tangible net worth of not less than fifty thousand dollars (\$50,000) and positive working capital. If the statements are more than 120 days old, provide an unaudited interim financial statement from the most recent quarter. Attach an executed copy of Form PEO-06 to the audited financial statement.

The Commissioner may accept the audited financial statement of an Applicant's parent company, if the audited financial statement includes either a combining of consolidating balance sheet, income statement, statement of changes in equity, and statement of cash flows as supplemental information to the audited financial statement, the contents of which will allow the Commissioner to determine the financial condition and responsibility of the parent company in lieu of the Applicant, if all of the following requirements are satisfied:

- The parent executes a guaranty agreement, in a form prescribed by the Commissioner, for the guaranty of all obligations related to the Applicant's current and future client companies, including its obligations for payroll, payroll-related taxes, workers' compensation insurance, and employee benefits.
- The Applicant files with the Commissioner documentation acceptable to the Commissioner evidencing the parent's control.
- The Applicant submits an audited financial statement that meets the requirements of N.C.G.S. § 58-89A-60(b1) that allows the Commissioner to determine the financial condition and financial responsibility of the parent and the Applicant.

A PEO that has not had sufficient operating history to have audited financial statements based upon at least 12 months of operating history may meet the financial requirements of N.C.G.S. § 58-89A-60(b1) by filing with the Commissioner financial statements that have been reviewed by an independent certified public accountant and that have been prepared as of a date not more than 90 days before this application.

5. Submit a complete set of fingerprints of each officer, director, and controlling person (non-entity) listed in Section 2 of this application. Also submit a properly executed Form 01-132-15, Authority for Release of Information, and the required processing fees. **The exact form and method for submitting this information is detailed in Form PEO-15.**
6. If the Applicant is organized under the laws of another state as a corporation, limited partnership, limited liability partnership or limited liability company, attach a current copy of the relevant certificate or a copy of the current annual report issued by the North Carolina Secretary of State evidencing the Applicant's authority to conduct business in North Carolina.
7. If the Applicant is organized under North Carolina law as a corporation, limited partnership, limited liability partnership or limited liability company, attach a current copy of the relevant certificate or a copy of the current annual report issued by the North Carolina Secretary of State

8. For each client company listed in Section 3 attach evidence of workers' compensation coverage for all assigned employees in this State, including those leased from or co-employed with another person.
9. Complete and attach Form PEO-17 certifying to the Commissioner that the Applicant has provided its workers' compensation carrier with proper and necessary documentation to allow the carrier to determine and charge a premium that is commensurate with exposure and anticipated claim experience for all employees covered under policies issued by the carrier in the name of the Applicant.

10. With respect to any insurance or benefit plan provided by the Applicant for the benefit of its assigned employees, please provide benefit summaries from each carrier and disclose all the following:

- a. The type of coverage.
- b. The identity of each insurer for each type of coverage.
- c. The amount of benefits provided for each type of coverage and to whom or on whose behalf benefits are to be paid.
- d. The policy limits on each insurance policy
- e. Whether the coverage is fully insured, partially insured, or fully self-funded.

If the Applicant offers to its assigned employees any health benefit plan that is not fully insured by an authorized insurer, please provide evidence that:

- The plan utilizes a licensed or registered third party administrator.
- All plan assets, including participant contributions, are held in a trust account.
- The plan provides sound reserves as determined using generally accepted actuarial standards.

Section 6. Fees

The Applicant must submit a non-refundable \$1,000 application fee. All checks are to be made payable to the North Carolina Department of Insurance.

For submissions sent via the United States Postal Services, please use the following mailing address:

North Carolina Department of Insurance
1203 Mail Service Center
Raleigh, NC 27699-1203
Attention: Financial Analysis & Receivership Division

For deliveries sent via UPS or FedEx, please use the following physical address:

North Carolina Department of Insurance
3200 Beechleaf Court, 7th Floor
Raleigh, NC 27604
Attention: Financial Analysis & Receivership Division

Note: If applying for a Group Professional Employer Organization License, only one \$1,000 nonrefundable application fee is required per group.

Section 7. Attestation of Applicant

Under the penalties of perjury, I attest that I have reviewed this application and accompanying information, and to the best of my knowledge and belief it is true, correct and complete; and that there have been no material omissions of fact which would have bearing upon the North Carolina Department of Insurance's decision to grant the requested license.

I understand that furnishing materially false or forged evidence, making an untrue material statement regarding the background or experience of any controlling person or failing to disclose material information regarding the Applicant is grounds for refusing to issue a license or the revocation of a license already issued. I also understand that making false statements under penalty of perjury may subject me to criminal liability.

I hereby accept in good faith the terms and obligations of North Carolina General Statute § 58-89A, presently existing, or enacted in the future, as a part of the consideration for a Professional Employer Organization License. It is understood that said License may be revoked, suspended, or otherwise terminated as provided for in said laws.

I, as a duly authorized officer, principal, general partner, or trustee, am authorized to make and sign this statement on behalf of the Applicant.

	Name of Applicant:	_____
Date: _____	Authorized Signature:	_____
	Name (type or print):	_____
	Title:	_____