NC DEPARTMENT of INSURANCE

Special Entities Division

Professional Employer Organization Initial De Minimis Registration Notification

North Carolina Department of Insurance
Special Entities Division

Instructions

1. The notification 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. No notification will be considered complete until all requested information is received.
2. If extra space is required to respond to any of the items in the notification, additional pages should be attached indicating the specific items for which the additional information is being provided.
3. The payment of the application fee required pursuant to N.C. Gen. Stat. 58-89A-65(a) must be submitted to:

USPS:
N.C. Department of Insurance
Special Entities Division 7th Floor
1203 Mail Service Center
Raleigh, NC 27699-1203

UPS and FedEx:

N.C. Department of Insurance
Special Entities Division
3200 Beechleaf Court
7th Floor
Raleigh, NC 27604

4. Please contact the Special Entities Division of the North Carolina Department of Insurance at (919) 807-6612 if you have any questions.

Section 1. General Information

A. Registrant Data

Date of Notification: _____

Legal Name of Registrant: _____

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

_____

Principal Office Address: _____

Phone 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: _____

Total Number of Assigned Employees in North Carolina: _____

Contact Name: _____

Contact Title: _____

Contact Mailing Address (if different): _____

_____

Contact Direct Phone Number: _____

Contact Email Address: _____

Location of Business Records: _____

B. Previous Names of Registrant

Provide a list by jurisdiction of each name under which the Registrant has operated in the preceding five (5) years, including any alternative names, names of predecessors and, if known, successor business entities:

☐ Not Applicable

Name Jurisdiction

_____

_____

C. Registrant Business History

Please complete the questions below relating to the Registrant. 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 Registrant ever been denied a license, registration or certification in any state?
   ☐ Yes ☐ No
2. Has the Registrant ever had a license, registration, or certification revoked, suspended, or otherwise acted against including probation, fine, reprimand in a disciplinary proceeding in any

state?
☐ Yes ☐ No

3. Has the Registrant ever filed for protection under the Bankruptcy Act?
   ☐ Yes ☐ No
4. Has the Registrant ever failed to satisfy any tax liabilities?
   ☐ Yes ☐ No
5. Has the Registrant ever had a lien or levy placed against it?
   ☐ Yes ☐ No
6. Is any license, registration or certification held by the Registrant under investigation or pending disciplinary action in any state?
   ☐ Yes ☐ No
7. Is the Registrant under indictment or under a “cease and desist” order from any jurisdiction or territory in the United States?
   ☐ Yes ☐ No
8. Is the Registrant currently, or has 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?
   ☐ Yes ☐ No
9. Has the Registrant ever been the subject of a governmental investigation?
   ☐ Yes ☐ No
10. Is the Registrant currently disputing any material obligations to an insurance carrier, benefit administrator or trust, or taxing authority?
    ☐ Yes ☐ No
11. Is there any litigation or legal proceeding currently pending or threatened against the Registrant other than in the normal course of business?
    ☐ Yes ☐ No
12. Is the Registrant delinquent, as of the date of notification, 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, Directors

IMPORTANT: Fill out each section completely, even if the same individual is listed in several 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 Registrant:

Name Shares Owned Ownership %

_____

_____

_____

Officers, Directors and Controlling Persons based on position:

Please list the names, title/position of all directors and any person who is a controlling person based on the position with the Registrant:

Name Title/Position

_____

_____

_____

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 Registrant or to oblige the Registrant 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 Registrant

_____

_____

_____

Section 3. NC Client Companies

Provide a list of all client companies located North Carolina. For any client companies that operate multiple locations under the same FEIN, please list only the headquarters location. This information may be submitted via a separate report, provided the report includes all requested information.

Client Company Name: _____ FEIN: _____

Principal Office Address: _____

Phone Number: _____ Date Relationship Initiated: _____

Number of Assigned Employees in NC: _____ Date Employee Started in NC: _____

Workers' Compensation Code: _____

Client Company Name: _____ FEIN: _____

Principal Office Address: _____

Phone Number: _____ Date Relationship Initiated: _____

Number of Assigned Employees in NC: _____ Date Employee Started in NC: _____

Workers' Compensation Code: _____

Client Company Name: _____ FEIN: _____

Principal Office Address: _____

Phone Number: _____ Date Relationship Initiated: _____

Number of Assigned Employees in NC: _____ Date Employee Started in NC: _____

Workers' Compensation Code: _____

Section 4. Other Information

All exhibits and attachments identified below are mandatory and must be submitted in order for the notification to be deemed complete. In the event that a requested exhibit or attachment is not applicable or not available, a written explanation must be submitted in lieu of the required item, specifying the reason(s) for its inapplicability or unavailability. Failure to submit the required documentation may result in a determination that the notification is incomplete and may cause processing delays or denial.

1. Attach 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 notification.
2. Is the Registrant a nonresident? ☐ Yes ☐ No
   If yes, attach an executed PEO-04.
3. 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.
4. Complete and attach Form PEO-17 certifying to the Commissioner that the Registrant has provided its workers' compensation carrier with accurate, complete, and necessary information required for the carrier to properly determine and assess workers' compensation premiums that are commensurate with the Registrant's actual exposure and anticipated claim experience for all covered employees insured under policies issued in the name of the Registrant.
5. Does the Registrant offer any insurance or benefit plan for the benefit of its assigned employees?
   ☐ Yes ☐ No

If yes, please provide the benefit summaries from each carrier and disclose 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. Is the coverage ☐ Fully Insured ☐ Partially Insured ☐ Fully Self-Insured?

If the Registrant offers any health benefit plan to its assigned employees that is not fully insured by an insurer authorized to transact insurance in North Carolina, the Registrant shall submit documentation demonstrating that the plan is administered by a duly licensed or registered third-party administrator, that all plan assets, including employee and employer contributions, are maintained in a trust account, and that the plan maintains adequate reserves as determined in accordance with generally accepted actuarial standards.

6. Does the Registrant have a current PEO license in at least one other state of the United States?
   ☐ Yes ☐ No

If no, the Registrant cannot register in North Carolina as a PEO

If yes, what state is the Registrant licensed in? _____

Section 5. Fees

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

Before submission, please make sure all items below are included:

- PEO-18
- $1,000 fee
- PEO-02 for each controlling person
- PEO-04 for nonresidents
- PEO-17
- Workers' Compensation Certificate of Insurance
- PEO license from another state
- Benefit information

Section 6. Attestation of Registrant

Under penalty of perjury, I attest that I have reviewed this notification and the accompanying information and that, to the best of my knowledge and belief, the information contained herein is true, correct, and complete. I further attest that there have been no material omissions of fact that would have a bearing upon the North Carolina Department of Insurance's decision to grant the Registrant de minimis registration status.

I understand that furnishing materially false or forged evidence, making an untrue statement of material fact regarding the background or experience of any controlling person, or failing to disclose material information regarding the Registrant constitutes grounds for refusal to grant de minimis registration status or for the revocation of a de minimis registration already issued. I further understand that making false statements under penalty of perjury may subject me to criminal liability.

I hereby accept, in good faith, the terms, conditions, and obligations of N.C. Gen. Stat. § 58-89A, as presently enacted or as may be amended in the future, as consideration for being granted de minimis registration status. I understand that such de minimis registration may be revoked, suspended, or otherwise terminated as provided by law.

I further attest to the fact that the Registrant:

(1) Does not maintain a physical professional employer organization office in the state of North Carolina.

(2) Does not employ salespersons who reside or direct their sales activities in the state of North Carolina.

(3) Does not employ directly or in common control with another person, as defined in N.C. Gen.Stat. § 58-89A-5(12), more than 50 assigned employees in the state of North Carolina.

(4) Does not advertise through any media outlet physically located in the state of North Carolina. However, that this subdivision shall not prohibit a person from advertising through publications, trade journals, directories, radio, television, or the internet if such advertising is not expressly directed toward employers in this state.

(5) Is a licensed professional employer organization in at least one other state of the United States; and

(6) Is operated by and under the control of persons of good moral character.

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

Registrant Name: _____

Authorized Signature: _____ Title: _____

Name (type or print): _____ Date: _____