



# Texas Department of Insurance

**Financial, Company Licensing & Registration**, Mail Code 305-2C  
333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104  
512-322-3507 telephone • 512-322-3550 fax • www.tdi.state.tx.us

Form PG1

## Notification to the Commissioner of Insurance for Registration as a Purchasing Group

Pursuant to Article 21.54, Texas Insurance Code

### **Section I: Purchasing Group Information**

1. Full Name of Purchasing Group \_\_\_\_\_  
\_\_\_\_\_
2. Principal Place of Business
  - A. Street address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_
  - B. Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_
3. Contact Person \_\_\_\_\_  
Name and Title
4. Phone Number \_\_\_\_\_ Email Address \_\_\_\_\_
5. Domiciliary State \_\_\_\_\_ Date Registered in Domiciliary State \_\_\_\_\_
6. State of highest aggregate premiums \_\_\_\_\_
7. Lines and classifications of liability insurance to be purchased \_\_\_\_\_  
\_\_\_\_\_
8. 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 \_\_\_\_\_ NAIC ID # \_\_\_\_\_
2. Principal Place of Business  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

3. Domiciliary State \_\_\_\_\_

4. Above insurer is recognized in Texas as (Check one)

- a. Admitted
- b. Risk Retention Group
- c. Surplus Lines
- d. Unauthorized (other than surplus lines insurer)

**Section III: Agent Information**

**\*\*(If reporting multiple agents, please see instructions)**

This Section requires the name and address of the agent/s who will aid in any manner in the solicitation, negotiation, or placement of insurance on behalf of the purchasing group or its members.

1. Name of Agent/Agency \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone Number \_\_\_\_\_  
Contact Person if Agency is listed \_\_\_\_\_

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. a. Have Texas members of the purchasing group been informed that the insurer or risk retention group: **i)** may not have protection by an insolvency guaranty fund coverage written through the purchasing group and **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.)

- i.)**  Y  N
- ii.)**  Y  N

b. Please describe (on a separate sheet of paper) the method used to inform each purchasing group member, which have risk located in Texas, that such risk 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.

2. Has the purchasing group management read the tax procedures set out under Texas Insurance Code, Article 21.54, Section 9?  Y  N

Does the purchasing group management understand the tax procedures?  Y  N

3. 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 PG1R?  Y  N

4. Has each agent been notified that they must report to the Commissioner of Insurance, not later than March 1, the activities and scope of services they provided to the purchasing group for the previous calendar year, using Form PG3?  Y  N
5. Furnish a list of all officers and directors of the purchasing group indicating positions.
6. Attach a completed Appointment of Commissioner as Agent, Form RRG/PG PC1.
7. 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.
8. Attach 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.

**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

\_\_\_\_\_  
Typed or printed name and title

The State of \_\_\_\_\_

County of \_\_\_\_\_

Before me, \_\_\_\_\_ notary  
(insert name of notary)

public in and for the State of \_\_\_\_\_, on this day personally appeared  
\_\_\_\_\_ known to me (or proved to me)  
(insert the name and position of the officer)

on the oath of \_\_\_\_\_, or

through \_\_\_\_\_ to be the person  
(description of identity card or other document)

whose name is subscribed to the foregoing instrument, and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Signature

# Instructions for Purchasing Group Registration

## Please read ALL instructions carefully.

The Form PG1 was adopted to meet the requirements of Texas Insurance Code, Article 21.54. 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. Contact Person - the individual to whom correspondence will be addressed. If this differs from the membership contact person, please provide both names and titles.
3. 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.
4. State of highest aggregate premium - Article 21.54, Section 2(14) 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.
5. Lines and classifications of liability insurance to be purchased - Must be specific about which lines of liability coverage are being written. Such terms as "general liability" or "garage liability" will not be acceptable. No property coverage or personal liability coverage is acceptable. If writing professional liability, must give the exact type of profession; i.e. architect, engineer, surgeon, dentist, teachers, etc.
6. Type of business, trade, product, services, premises or operations of group members - Give a description of the business activities or type of trade or product or services offered or what type of premises or operations which make the group membership similar or related.

### **Section II: Insurer Information**

Section II 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.

### Section III: Agent Information

Section III 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. ***If listing an agency, include the name 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 licensed, 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 Article 21.54, Section 10(b):

*“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 Article 21.14 of this code in the case of a resident of this state or Article 21.11 of this code in the case 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 Article 1.14-2, 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. “Dba’s” or trade style names are not acceptable unless registered with this Department.

### Section IV: Additional Requirements

Item 1#b – You must describe (on a separate sheet of paper) the method used to inform each purchasing group member, which have risk located in Texas, that such risk 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.

Return to: Texas Department of Insurance  
Company Licensing & Registration, MC 305-2C  
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Austin, TX 78714-9104