

**COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT**



**REGISTRATION REQUIREMENTS  
FOR PURCHASING GROUPS**

## **REGISTRATION REQUIREMENTS FOR PURCHASING GROUPS**

**The Commonwealth of Pennsylvania appreciates your interest in exploring business opportunities here. In order to operate as a purchasing group in the Commonwealth the group must first register with the Insurance Department. This packet will explain the procedures to be followed and the documentation to be filed to register the group.**

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**Please refer to the following for guidance:**

- **40 P.S. §991.1501 et seq.**

## **I. GENERAL APPLICATION PROCEDURES**

You may find the following general comments helpful as you proceed through the registration process. At any time during the process, please do not hesitate to contact the Company Licensing Division at (717) 787-2735, or FAX (717) 787-8557, should you have a question.

- 1) To expedite the process, we recommend that you assign one member of your staff as the designated point of contact for all correspondence and/or telephone inquiries.
- 2) After receiving your application, the Department assigns a Licensing Specialist to process your submission. Please use this person as your primary point of contact with the Department.
- 3) Your timely response to any concerns or questions raised during the review of your materials is appreciated. Departmental inquiries that remain unanswered for over 90 days may result in the application being considered inactive.

- 4) Please notify the Licensing Specialist should any information contained in previously submitted documents change. These changes should be immediately forwarded to the Department to supplement the original application.
- 5) The compilation of the Pennsylvania Insurance Laws and cumulative pocket supplement thereto may be purchased from:
  - a) **Purdon's Statutes, West Publishing Company**  
610 Operman  
St. Paul, MN 55123  
Tele: (800) 733-2889  
Website: <http://www.westgroup.com>
  - b) **NILS Insource and The Red Books, Wolters Kluwer Financial Services**  
130 Turner Street  
Waltham, MA 02453  
Tele: (800) 481-1522  
Website: <http://www.Insurance.WoltersKluwerFS.com>
  - c) **BHM Insurance Services, L.L.C.**  
P. O. Box 25130  
Wilmington, DE 19899-5130  
Tele: (302) 678-8795  
(800) 543-3635

If you wish to subscribe to the Pennsylvania Bulletin please contact:

**Pennsylvania Bulletin**  
Fry Communications  
800 West Church Road  
Mechanicsburg, PA 17055-3198  
In State: 1-800-524-3232  
Out of State: 1-800-334-1429

## **REQUIREMENTS FOR REGISTRATION OF A PURCHASING GROUP**

In accordance with the Liability Risk Retention Act of 1986 and Article XV of the Insurance Company Law, Act of May 17, 1921 (P.L. 682, No. 284), as amended (40 P.S. Section 991.1501 et seq.) (hereafter referenced as “Pennsylvania Risk Retention Act”), a purchasing group which intends to do business in this Commonwealth shall, prior to doing business, provide the following to the Department:

1. An application for registration as a purchasing group and appointment of the Commissioner for the purpose of receiving service of legal documents or process. Be certain to attach the certified copy of the resolution as required by Part B. (Forms attached.)
2. A filing fee of \$100 in the form of a check made payable to the “Commonwealth of Pennsylvania.”
3. A listing of all states in which the group intends to do business or is doing business
4. A letter from the state insurance department from the state in which the purchasing group is domiciled (see definition of domicile in Pennsylvania Risk Retention Act) certifying: (1) that the group is properly registered to do business in that state, and (2) that the group is domiciled in that state.
5. The SERFF tracking numbers of the form filing and the rate/rule filing from the admitted insurer with which you will be transacting business that are on file with our Office of Insurance Product Regulation. If the rates, rules and/or forms are not required to be filed with our department, please identify the statutory or regulatory exemption(s) that do not require them to be filed.
6. A certified statement from an officer of the purchasing group acknowledging their understanding of Section 1512 of the Pennsylvania Risk Retention Act. Such statement should also include the method by which premium tax will be remitted to the Commonwealth on behalf of Pennsylvania members of the group.

If the Pennsylvania members of your group will be subject to financial responsibility requirements, you should contact the appropriate state agency to determine whether coverage provided by or through your group will satisfy such requirements.

Should you have any questions concerning statutory requirements or registration procedures, please feel free to contact the Department at (717) 787-2735 / [ra-in-company@pa.gov](mailto:ra-in-company@pa.gov) . Registration materials should be mailed to:

Pennsylvania Insurance Department  
Company Licensing Division  
1345 Strawberry Square  
Harrisburg, PA 17120

**PART A**

**FEIN: \_\_\_ - \_\_\_\_\_**

**STATE OF PENNSYLVANIA  
DEPARTMENT OF INSURANCE  
PURCHASING GROUP – NOTICE AND REGISTRATION  
(All Information Should Be Typed)**

1. Name of the Purchasing Group:

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2. List any other name(s) by which the Purchasing Group is known or may be doing business in this State or any other state:

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3. a) Form of organization (i.e., corporation, partnership, association) and the state in which organized:

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b) Purpose(s) of organization:

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4. a) The Purchasing Group is domiciled in the state of: \_\_\_\_\_

b) Address: \_\_\_\_\_

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5. Physical address of the administrative offices of the Purchasing Group, if different from response to Item #4b above:

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6. The Purchasing Group intends to purchase the following classifications of liability insurance and/or subclassifications thereof:

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**PURCHASING GROUP FORM**

7. The Purchasing Group intends to purchase the liability insurance described in Item #6 above from the following insurance company or companies: [Give full name of company, state of domicile, NAIC code and Federal Employer Identification Number (FEIN).]

<u>Name of Company</u>	<u>State of Domicile</u>	<u>NAIC Code</u>	<u>FEIN</u>
_____	_____	_____	____-____
_____	_____	_____	____-____
_____	_____	_____	____-____

8. List the name, address and social security number (SS#) of each officer and director of the Purchasing Group: (Attach additional pages if necessary.)

<u>Name</u>	<u>Address</u>	<u>SS#</u>	<u>Position with Purchasing Group</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

9. List the name, SS#, address and telephone number of the person within the Purchasing Group who is most knowledgeable about the Purchasing Group's insurance program, including membership criteria and coverages:

<u>Name</u>	<u>Address</u>	<u>SS#</u>	<u>Telephone Number</u>
_____	_____	_____	_____
_____	_____	_____	_____

10. List the name, FEIN, address and telephone number of the company that manages or administers the insurance program for the Purchasing Group, and the name, SS# and telephone number of the person responsible for the Group's insurance program: (If none, answer none.)

<u>Name</u>	<u>FEIN/SS#</u>	<u>Address</u>	<u>Telephone #</u>
_____	_____	_____	(____) _____
_____	_____	_____	(____) _____
_____	_____	_____	(____) _____

**PURCHASING GROUP FORM**

11. List the name(s), SS#(s) and address(es) of the licensed insurance agent(s), broker(s) or excess (surplus) lines broker(s) responsible for the purchase of liability insurance for the Purchasing Group and its members and the state(s) in which they are licensed: (Attach additional pages, if necessary. If none, answer none.)

<u>Name</u>	<u>SS#</u>	<u>Address</u>	<u>State(s)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

12. Has any person transacting business on behalf of this Purchasing Group ever:

- a) been arrested, indicted and convicted of a felony or is a felony charge currently pending against any such person? \_\_\_\_\_
- b) had denied any application for a professional, vocational or business license? \_\_\_\_\_
- c) had suspended or revoked any such license? \_\_\_\_\_
- d) had withdrawn or surrendered any such application or license to avoid potential disciplinary action against licensee? \_\_\_\_\_

If the answer to any part of this question is yes, attach a supplementary statement explaining in full each such occurrence.

13. The Purchasing Group is composed of members whose businesses or activities are similar or related with respect to the liability to which members are exposed by virtue of any related, similar or common business, trade, product, services, premises or operations. Give a general description of business or activities engaged in by Purchasing Group members:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

14. The Purchasing Group purchases the liability insurance listed in Item #6 above only for its group members and only to cover their similar or related liability exposure, as described in Item #13 above.

15. The Purchasing Group has as one of its purposes the purchase of liability insurance on a group basis.

16. The Purchasing Group has designated the Insurance Commissioner [Director, Superintendent] of this State to be its agent solely for the purpose for receiving service of legal documents or process by executing Part B of this form, attached hereto.

17. The Purchasing Group has submitted a registration fee of \$ \_\_\_\_\_, if applicable, payable to the Insurance Commissioner [Director, Superintendent] of this State.

**PURCHASING GROUP FORM**

- 18. The Purchasing Group will not purchase any insurance policy in this State which provides coverage prohibited generally by statute of this State or declared unlawful by the highest court of this State whose law applies to such policy.
- 19. The Purchasing Group will comply with all other applicable state laws.
- 20. The Purchasing Group will notify the Insurance Commissioner [Director, Superintendent] of any subsequent changes in any of the items included in this form.

The undersigned hereby swear and affirm that the foregoing statements and information regarding the principal, the \_\_\_\_\_ are true and correct.

(Name of Purchasing Group)

\_\_\_\_\_  
President of the Purchasing Group

\_\_\_\_\_  
Secretary of the Purchasing Group

State of \_\_\_\_\_)

)ss:

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

Sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_, Notary Public. My Commission Expires:\_\_\_\_\_

**PART B**

**PURCHASING GROUP FORM**

**APPOINTMENT OF ATTORNEY TO ACCEPT SERVICE AND DESIGNATION**

The \_\_\_\_\_ (“The Group”), a purchasing group organized under the laws of the State of \_\_\_\_\_, having notified the Insurance Commissioner [Director, Superintendent] of the State of \_\_\_\_\_ of its intention to do business in this State as a purchasing group pursuant to the federal Liability Risk Retention Act of 1986, hereby appoints the Insurance Commissioner [Director, Superintendent] of the State of \_\_\_\_\_, any successor in office, and any authorized deputy its true and lawful attorney, in and for the State of \_\_\_\_\_, upon whom all legal documents or process in any proceeding against it may be served. Such service of process shall be of the same legal force and validity as if served personally upon the Group.

The Group designates:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, Town or Village)

\_\_\_\_\_  
(State and ZIP Code)

as its officer, agent or other person to whom shall be forwarded all legal documents or process served upon the Insurance Commissioner [Director, Superintendent] of the State of \_\_\_\_\_, any successors in office, or any authorized deputy, for the Group. This designation shall continue in full force and effect until superseded by a new written designation filed with the Insurance Commissioner [Director, Superintendent].

**PURCHASING GROUP FORM**

This appointment and designation is made pursuant to a resolution by the Group's governing body authorizing it, and a certified copy of the resolution is attached hereto. This appointment shall be binding upon any person or corporation which as successor acquires the Group's assets or assumes its liabilities, by merger or consolidation or otherwise.

This appointment may be withdrawn only upon a written notice of termination and, in any event, shall not be terminated by the Group or its successor so long as any contracts or liabilities or duties arising out of contracts entered into by the Group while it was doing business in this State are in effect.

IN WITNESS OF THIS APPOINTMENT AND DESIGNATION, The Group, in accordance with the resolution of its Board of Directors duly passed on \_\_\_\_\_, 20 \_\_\_\_, has affixed its corporate seal, and caused the same to be subscribed and attested in its name by its President and Secretary, at the City of \_\_\_\_\_ in the State of \_\_\_\_\_ on \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
(Name of Purchasing Group)

By: \_\_\_\_\_ President  
\_\_\_\_\_ Secretary

State of \_\_\_\_\_)

) ss:

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

Sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_, Notary Public. My Commission expires: \_\_\_\_\_

**(FOR USE IN COMPLYING WITH SECTION 1510 OF THE PENNSYLVANIA RISK RETENTION ACT)**

(PURCHASING GROUP LETTERHEAD)

**DATE:** \_\_\_\_\_

**TO:** (name and address of PA member)

\_\_\_\_\_  
\_\_\_\_\_

**FROM:** (purchasing group name)

**PURCHASING GROUP**

**INSURER:** \_\_\_\_\_  
(name of eligible surplus lines insurer or risk retention group)

In accordance with Section 1510 of the Act of May 17, 1921 (P.L. 682, No. 284) (40 P.S. Section 991.1510), notification is hereby provided that:

**COVERAGE FOR MEMBERS OF THE PURCHASING GROUP IS ISSUED BY A RISK RETENTION GROUP AND/OR ELIGIBLE SURPLUS LINES INSURER WHICH MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF THE COMMONWEALTH OF PENNSYLVANIA; AND**

**IN THE EVENT OF INSOLVENCY OF THE INSURER, LOSSES WILL NOT BE PAID BY THE PENNSYLVANIA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION.**

I hereby acknowledge receipt of this notice.

\_\_\_\_\_  
(signature of authorized representative)

\_\_\_\_\_  
(office or title)

\_\_\_\_\_  
(date signed)