



November 4, 2004

CIRCULAR LETTER TO MEMBER COMPANIES

Re: Workers Compensation Insurance

Professional Employer Organizations  
Reference North Carolina Senate Bill 20

The North Carolina General Assembly has rewritten Chapter 58, Article 89 of the General Statutes – “North Carolina Professional Employer Organization (PEO) Act” <http://www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2003&BillID=S20> to be effective January 1, 2005.

§ 58-89-110 (b) specifies that each multiple coordinated PEO policy must list the PEO as the named insured. The designation “L/C/F” shall be used to specify that it is the labor contractor for the client company. For example, if ABC Company is the PEO and XYZ Company is the client company, the named insured section of the policy for the client should read “ABC Company L/C/F XYZ Company.”

This change applies to both voluntary and residual market policies whether they are submitted to the North Carolina Rate Bureau in paper form or electronically.

Sincerely,

Sue Taylor

Director of Workers Compensation

ST:dg

C-04-16