



North Carolina Department of Insurance
Raleigh, North Carolina
Surety Bond for Professional Employer Organization

SURETY BOND NO: _____, Effective date: _____.

This bond is made and entered into between _____, (hereinafter "Principal") and _____, (hereinafter "Surety") for the benefit of the North Carolina Commissioner of Insurance (hereinafter "the Commissioner") for the purposes set out in North Carolina General Statute §58-89A-50. This surety bond is made in consideration of the Commissioner's issuance of a license to operate and function as a Professional Employer Organization to the Principal. The Principal and Surety, for themselves, their heirs, assigns, and successors, agree to be jointly and severally liable to the Commissioner for the sum of _____ dollars for any and all of Principal's unpaid liabilities or obligations under Chapter 58, Article 89A of the North Carolina General Statutes, regardless of when such liabilities arose or were incurred, including those arising prior to the effective date of this bond.

Surety agrees that it will fulfill all financial obligations and liabilities of the Principal under Chapter 58, Article 89A of the North Carolina General Statutes in the event that the Principal fails to meet such obligations and liabilities. Surety shall be liable for the total amount of this bond to the extent that the Principal is or would be liable under Chapter 58, Article 89A of the North Carolina General Statutes. Surety shall not be liable for any amounts in excess of the dollar amount stated in this surety bond or in any endorsements hereto.

This surety bond shall remain in full force and effect until canceled in writing by the Surety pursuant to North Carolina law and without regard to approval or acceptance by the Commissioner. Upon cancellation, Surety shall remain liable under the provisions of this surety bond for all obligations and liabilities of the Principal under the North Carolina Professional Employer Organization Act, which arose or were created prior to the effective date of the cancellation. The Surety may be released from its liability and obligations under this surety bond if the Principal provides replacement security acceptable to the Commissioner in his discretion. If the Commissioner accepts replacement security, the Commissioner will notify the Surety in writing of its release from its liability and obligations under this surety bond.

Within ten (10) days of a change in the legal entity ownership or name of the Principal or Surety, the Principal or Surety shall notify the Commissioner in writing of such change by registered or certified mail. In the event of such change, Principal and Surety agree to execute an endorsement to this surety bond to reflect said change. This surety bond remains in full force and effect at all times.

Should the Principal's license to conduct business as a Professional Employer Organization be suspended or revoked, all past, present, and existing obligations and liabilities of the Principal incurred shall remain in effect until satisfied and shall be covered by this surety bond.

In the event that the Commissioner makes claim upon the Surety under this surety bond as a result of the Principal's failure to meet the Principal's obligations and liabilities under Chapter 58, Article 89A of the North Carolina General Statutes, the Surety shall remit payment under the terms of this surety bond to the Commissioner as required by North Carolina law, but in no event later than thirty (30) days after written demand by the Commissioner. The Surety may cancel this surety bond by giving the Commissioner forty-five (45) days written notice by registered or certified mail. The Surety shall remain liable for all obligations and liabilities of the Principal that arose under Chapter 58, Article 89A of the North Carolina General Statutes while this surety bond was in effect.

This surety bond shall be governed by North Carolina law and any suits, actions, causes of actions or other legal proceedings concerning the validity, terms, or enforceability of this surety bond may be brought only in the Superior Court of Wake County, North Carolina. All parties hereto submit themselves to the jurisdiction of that court. If any part or condition of the surety bond is declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination will not affect the validity or enforceability of other parts or conditions of this surety bond.

The Principal and Surety acknowledge and agree that no terms of this bond can be altered, changed, or amended without written approval by the Commissioner.

IN WITNESS WHEREOF, the **Principal** intending to be bound hereby has caused this surety bond to be executed, under seal, and attested by its duly authorized officer or managing member.

PRINCIPAL:

By: _____
Signature of Officer or Managing Member

Type or Print Name

SEAL

Type or Print Title

Subscribed and sworn to before me this

_____ Day of _____, _____

Notary Public

SEAL

My Commission Expires: _____

IN WITNESS WHEREOF, the **Surety** intending to be bound hereby has caused this surety bond to be executed, under seal, and attested by its duly authorized officer.

SURETY:

By: _____
Attorney-In-Fact

Type or Print Name

SEAL

Attorney in Fact _____
Type or Print Title

Subscribed and sworn to before me this

_____ Day of _____, _____

Notary Public

SEAL

My Commission Expires: _____

This bond is executed under an unrevoked appointment or power of attorney. A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws or other corporate instrument, duly certified by the proper authority and attested by the seal of the Surety entitling or authorizing the person who executed the surety bond to do so for and on behalf of the Surety, must be included with this surety bond.