



Professional Employer Organization Arrangements

Texas - as of July 1, 2015

Market Type	Policy Model	Policy Type Code	Endorsements*	Experience Rating Modification Application - While in a PEO Arrangement	Experience Rating Modification Application - Upon Termination of a PEO Arrangement	Data Reporting	Assigned Risk Supplemental Forms	NCCI Filing(s) and Circulars
Voluntary Market	<ul style="list-style-type: none"> • Master • Client Direct Purchase 	Master <ul style="list-style-type: none"> • Code 2 • Code 6 	Master PEO Policy <ul style="list-style-type: none"> • WC 42 03 11 • WC 42 03 13 • WC 42 03 14 Client Policy <ul style="list-style-type: none"> • WC 42 03 12 	Master Client experience rating modification applies from the date of the agreement for two years from the date of the PEO's RED following the date of the agreement. At the end of the two-year period, premium for covered employees is calculated using the PEO's experience rating modification.	Master For an agreement of more than two years, premium for covered employees is calculated using the lower of the client's mod before the agreement and the PEO's mod when the agreement is terminated. After one year, the client's current mod, if any, applies. For an agreement of fewer than two years, premium for covered employees is calculated using the higher of the client's mod before the agreement and the PEO's mod when the agreement is terminated. After one year, the client's current mod, if any, applies.	Master PEO is required to separately maintain payroll records and job descriptions of covered employees for each client furnish such records to the carrier upon request. Split Data of Former Client: Within one unit stat report, carrier may report multiple experience mods with the same modification and rate effective dates.	N/A	Items 05-TX-2014 (Circular TX-2015- 04) and 06-TX-2014 (Circular TX-2015-03)
		Client Direct Purchase <ul style="list-style-type: none"> • Code 7 	Client Direct Purchase Client Policy <ul style="list-style-type: none"> • WC 42 03 15 • WC 42 03 16 	Client Direct Purchase Client experience rating modification applies. Client Direct Purchase (prior Master agreement changes to Client Direct) For a prior agreement of more than two years, premium for covered employees is calculated using the lower of the client's mod before the agreement and the PEO's mod when the agreement changed. After one year, the client's current mod, if any, applies. For a prior agreement of fewer than two years, premium for covered employees is calculated using the higher of the client's current mod and the client's last known mod prior to the agreement. After one year, the client's current mod, if any, applies.	Client Direct Purchase For an agreement of more than two years, premium for covered employees is calculated using the lower of the client's mod before the agreement and the PEO's mod when the agreement is terminated. After one year, the client's current mod, if any, applies. For an agreement of fewer than two years, premium for covered employees is calculated using the higher of the client's current mod and the client's last known mod prior to the agreement. After one year, the client's current mod, if any, applies.	Client Direct Purchase Normal unit statistical reporting.		



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Voluntary Market	<ul style="list-style-type: none"> • Master • Client Direct Purchase 			<p>Client Direct Purchase (client left a prior agreement and enters new agreement with new PEO that requires Client Direct) For a prior agreement of more than two years, premium for covered employees is calculated using the lower of the client's mod before the prior agreement and the PEO's mod when the prior agreement was terminated. After one year, the client's current mod, if any, applies.</p> <p>For a prior agreement of fewer than two years, premium for covered employees is calculated using the higher of the client's current mod and the client's last known mod before the prior agreement. After one year, the client's current mod, if any, applies.</p>			N/A	Items 05-TX-2014 (Circular TX-2015-04) and 06-TX-2014 (Circular TX-2015-03)

* Applicable Endorsements must be reported on Policy Record Type 7

This Comparison is provided as a reference only. All information is subject to change and dependent on notification from the state. In the event that there is a conflict between the applicable state statute and/or regulation and this chart, the applicable state statute and/or regulation will control. Please refer to the state's website for additional information.

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