

## Acknowledgement

The Professional Employer Organization (PEO) acknowledges that it must register with the Virginia Workers' Compensation Commission before engaging in the business of providing professional employer services and servicing any client companies in Virginia. Professional employer services means services provided to a client company pursuant to a written agreement with a PEO whereby the PEO initially employs all or a majority of a client company's work force and assumes responsibilities as an employer for all co-employees that are assigned, allocated, or shared by the agreement between the PEO and the client company.

The PEO further acknowledges that the Commission may require any business entity having a controlling ownership interest in or sharing common ownership with a professional employer organization providing professional employer services in the Commonwealth to guarantee performance of all obligations, including the payment of workers' compensation benefits.

Pursuant to § 65.2-803.1 of the Code of Virginia, the PEO agrees to notify the Commission and Bureau of Insurance of the State Corporation Commission within 30 calendar days of all new or terminated, in whole or in part, client companies.

The PEO understands that all agreements for professional employer services shall be in writing and shall provide a description of the respective rights and obligations of the professional employer organization and the client company. The professional employer organization shall provide a written summary of such rights and obligations to each coemployee, including information concerning filing for workers' compensation and unemployment benefits.

The PEO acknowledges that it may secure and provide all required voluntary market workers' compensation insurance for its coemployees under a master workers' compensation insurance policy in the name of the PEO.

The PEO understands it is to notify in writing the client company and coemployees of its intent to terminate any agreement for professional employer services with a client company at the time of or prior to termination. The PEO understands that it is to advise the client company of its obligation to secure workers' compensation coverage. The PEO shall provide a copy of such notice to the Commission and the insurer at the time notice is given to the client company. PEO further understands that workers compensation insurance coverage shall continue until termination for fifteen calendar days after receipt of notice of termination by both the Commission and the client company, whichever is later.

The PEO acknowledges that if it receives notice that its workers' compensation insurance policy will be cancelled or nonrenewed, the professional employer organization shall notify the client companies within seven calendar days after receipt of the notice. Failure of the PEO to provide such notice to the client companies subrogates the Commission, upon payment of a claim from the Uninsured Employer's Fund to any coemployee of a client company that did not receive notice, to any right to recover damages which the injured coemployee or his personal representative may have against the professional employer organization.

The PEO acknowledges that it must file annually with the commission its report of all client companies and related insurance information required by § 65.2-803.1 B of the Code of Virginia. This report shall include the PEO's payroll used in calculating the assessment in 16 VAC 30-100-70. Said report shall be filed by 5 p.m. Eastern Standard Time, on January 31.

PEO registration and reporting requirements are found in the Virginia Workers' Compensation Act and the Commission's regulations.