

## DISCOUNT HEALTH CARE PROGRAM OPERATOR SURETY BOND

Bond No. \_\_\_\_\_

**Know All Persons by These Presents:**

That we, \_\_\_\_\_,  
as Principal, whose address is \_\_\_\_\_, and \_\_\_\_\_, as Surety, being a surety company authorized to do business in the State of Texas, are bound to the Texas Department of Insurance in the penal sum of Fifty Thousand Dollars (\$50,000.00) in accordance with the Texas Insurance Code §562.103(f). Said money is payable to the Texas Department of Insurance in acceptable currency of the United States. By this instrument, we jointly and severally firmly bind ourselves, our heirs, executors, administrators, successors and assignees.

**The conditions of the above obligations are:**

**WHEREAS** the above-named Principal has applied to the Texas Department of Insurance for a registration as a Discount Health Care Program Operator to engage in or continue the business of operating a discount health care program in accordance with all applicable provisions of the Texas Insurance Code and applicable rules of the Texas Department of Insurance;

**WHEREAS**, PRINCIPAL is required to provide this bond as a condition to obtaining or maintaining such a registration pursuant to the Texas Insurance Code §562.103(f).

**NOW, THEREFORE**, the condition of this Bond is that if the Principal shall pay to the Texas Department of Insurance all funds necessary for the payment of eligible member claims:

- (1) on the determination by the Texas Department of Insurance that funds are necessary for the payment of such claims following compliance with all applicable provisions of the Texas Insurance Code and applicable rules of the Texas Department of Insurance; **or**
- (2) upon final judgment against the Principal arising from such a claim.  
then this obligation shall be null and void. If this obligation is not void, it remains in full force and effect, subject to the following conditions:
  - 1. As of \_\_\_\_\_, 20\_\_\_\_, this bond will be in full force and effect for the time period Principal is registered as a Discount Health Care Program Operator unless earlier terminated. Continuation or renewal certificates are unnecessary.
  - 2. This bond may not be used to maintain and demonstrate proof of financial responsibility for any other obligation.
  - 3. This bond must not be used to demonstrate professional responsibility for any other registration or individual or entity.
  - 4. The Surety may, at any time, cancel this bond by submitting written notice by certified mail to the Texas Department of Insurance thirty (30) days prior to the cancellation date. The Surety, however, remains liable for any defaults under this bond committed prior to the cessation date of the registration or of the termination date.

The Texas Department of Insurance may make claims against the bond for one year after the Principal ceases to be registered in the State, or for one year after the bond is terminated, based on actions within the registration and bond period. In no event shall the aggregate liability of the Surety under this bond for any and all damages to one or more claimants exceed the penal sum of this bond.

**IN WITNESS WHEREOF** said Principal and Surety have executed this bond this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, to be effective the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
PRINCIPAL  
  
\_\_\_\_\_  
BY  
  
\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
SURETY  
  
\_\_\_\_\_  
BY  
  
\_\_\_\_\_  
ADDRESS

➤ **Mailing Information:**

Via **USPS** send to:

MC: CO-AAL  
Agent and Adjuster Licensing  
Texas Department of Insurance  
PO Box 12030  
Austin, TX 78711-2030

Via **UPS and FedEx** send to:

MC: CO-AAL  
Agent and Adjuster Licensing  
Texas Department of Insurance  
1601 Congress Avenue, Suite 6.900  
Austin, TX 78701-1407