

**From:** [Steve Crain](#)  
**To:** ["Martha Salazar"](#)  
**Subject:** RE: Scan from a Xerox WorkCentre  
**Date:** Wednesday, November 21, 2012 8:16:17 AM

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Marty: There are two concerns with an appointment of an insurance broker of record. As noted in the Commissioners Bulletin which quotes Attorney General Opinion JC-205 a designated broker of record will not be able to solicit quotes from all possible insurance companies thus limiting the number of companies from which the County may obtain insurance. The Commissioners Bulletin also states there is only one legislatively authorized statute for a county to use a broker of record and that is Local Government Code section 262.036. Section 262.036 appears to limit the broker of record to all areas of risk including but not limited to public official liability, property casualty, workers compensation and specific and aggregate stop-loss coverage for self funded plans. This section appears to limit the use of a broker of record to risks of the County not risks of employees. A Section 262.036 does not appear on its face to include voluntary products for employees as there is no risk to the County. We would not be comfortable in proceeding without requesting an Attorney General's opinion. We also would caution if the proposed broker of record is or will receive compensation from the County the services must be procured or an exemption be found. Also 262.036(c) provides a broker of record retained under this section may not submit any insurance carrier proposal ... if the broker has a business relationship or proposed business relationship with the carrier.

-----Original Message-----

From: Martha Salazar [<mailto:martha.salazar@co.hidalgo.tx.us>]  
Sent: Tuesday, November 20, 2012 4:56 PM  
To: 'Steve Crain'  
Cc: 'Darlene Betancourt'; 'Cris Villarreal'  
Subject: FW: Scan from a Xerox WorkCentre  
Importance: High

Mr. Crain:

I have been asked by several members of CC to explore the possibility of the County appointing an agent of record (AOR) for the current Section 125 Voluntary, Cafeteria Plan Project. I have researched any applicable statutes for same. I have attached the applicable statutes as well as information from the Texas Department of Insurance. You may find additional authorities. Please review and comment as it relates to the following:

1. Does the appointment of an agent of record (AOR) require a procurement process?
2. Is an AOR prohibited from submitting proposals for the Section 125, Cafeteria Plan Project?
3. Does Chapter/Section 262.036 even apply to Section 125 Voluntary, Cafeteria Plans since I do not see them listed under 262.036?

-----Original Message-----

From: WorkCentre 7346 [<mailto:scan@co.hidalgo.tx.us>]  
Sent: Tuesday, November 20, 2012 4:08 PM  
To: martha.salazar@co.hidalgo.tx.us  
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Number of Images: 4  
Attachment File Type: PDF

Device Name: WorkCentre 7346  
Device Location:

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