



State of California
Department of Industrial Relations
OFFICE OF SELF-INSURANCE PLANS

INDEMNITY AGREEMENT AND POWER OF ATTORNEY

AFFILIATE MEMBER:

_____ (HEREIN AFTER 'AFFILIATE')

GROUP:

_____ (HEREIN AFTER 'GROUP')

GROUP CERTIFICATE #: _____

WHEREAS "Affiliate" is or has made application to the Director of Industrial Relations (Director) for an Affiliate Certificate of Consent to Self-Insure pursuant to California Labor Code sections 3700 through 3705 as a member self-insurer of a group; and

WHEREAS, "Group", a non-profit mutual benefit corporation is formed for the sole purpose of being a workers' compensation group self-insurer pursuant to California Labor Code Section 3700. The Group has designated a Board of Trustees (Trustees) consisting of members to direct the affairs of Group and to approve or terminate membership in the Group, subject to the approval of the Director as set forth in California Labor Code Sections 3700 through 3705; and

WHEREAS, the Affiliate and Group understand and agree that the issuance of a Certificate of Consent to Self-Insure to the Group and an Affiliate Certificate of Consent to Self-Insure to each group Affiliate member is subject to the following conditions:

I. The Group and each of its Affiliate Members are jointly and severally liable for paying and securing liabilities of the Group and its Affiliate Members for the payment of any and all compensation liability required by Labor Code Sections 3700 through 3705 of any and all employees of any Affiliate Member of the Group and/or of the Group itself, provided the compensation liability results from an occurrence with a date of injury during the period of membership in the Group; and

II. The Group shall have authority to enforce this Indemnity Agreement against each and every one of its current or former Affiliate Members. In the event of a failure of the Group to enforce the rights of indemnity as set forth herein, and after reasonable notice to the Group or any current or former Affiliate Member by the Director, or his/her duly appointed agent(s), the Director has the independent right to enforce the terms of this Indemnity Agreement against any and all of the current or former Affiliate Members for the payment of all compensation liabilities, and all liabilities of the Affiliate Members for any delinquent contribution and/or assessments; and

III. The Trustees of the Group shall designate and appoint a Group Administrator (Administrator) empowered to accept service of process on behalf of the Group and any of its current or former Affiliate Members. Administrator shall be authorized to act on behalf of the Group and its

Affiliate Members in all transactions relating to the operation of the Group. Administrator shall have responsibility and authority for the posting of a security deposit to secure all liabilities of the Group, the employment of legal counsel, accountants, actuaries, claims administration services, and any other services deemed necessary. Administrator shall also have the authority to contract for insurance coverages for the Group and all Affiliate Members. Administrator shall have the authority to bind the Group and all Affiliate Members jointly and severally; and

IV. Any change in the identity of the Administrator shall be immediately communicated to the Chief of the Office of Self-Insurance Plans. In the absence of a duly appointed Administrator, any Trustee of the Group shall be authorized to accept service of process on behalf of the Group and all Affiliate Members; and

V. In the event that the duly appointed Administrator and/or the Trustees of Group fails to maintain the financial solvency of the Group, or defaults on the payment of compensation liabilities due from the Group, or fails to post the required security deposit to secure the compensation liabilities of the Group, the Director shall have the authority to appoint a Conservator to act in place of the Administrator; and

VI. The Administrator shall act as the true and lawful attorney-in-fact for the benefit of the Group and its Affiliate Members and shall have the power to: Ask, demand, sue for, recover, collect and receive all such sums of money due, debts, interest, dividends, and any demands whatsoever as are or shall hereafter become due, owing, payable to the Group and its Affiliate Members, and shall have the use and take lawful ways and means in the name of the Group and its Affiliate Members for recovery thereof, and to compromise and agree for the same and other sufficient discharges for the Giving and Granting unto said Administrator attorney-in-fact full power and authority to do and perform every act necessary, requisite or proper to be done as a Group and/or its Affiliate Members could lawfully do, with full power of substitution and revocation, hereby ratifying and confirming all that the Administrator attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

Signed at _____, on _____ day of _____, 20____.

Name of Affiliate Member

Signature of Authorized
Corporate Officer / Partner / Owner

Secretary (if corporation)

Printed Name & Title

Printed Name of Secretary