

Mailing Address
Self-Insurance Plans
22 65 Watt Avenue, Suit. 1
Sacramento, California 9582 5

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
SELF-INSURANCE PLANS
SURETY BOND OF SELF INSURER OF WORKERS' COMPENSATION
(LABOR CODE SECTION 3701)

IN THE MATTER OF THE CERTIFICATE OF

Employer Certificate No.

SURETY BOND
NO.

KNOW ALL PERSONS BY THESE PRESENTS:
THAT

(Employer)

whose address for service _____
as PRINCIPAL, and _____

(Surety)

whose address for service _____
is, _____

a Corporation organized under the laws of _____
_____ and authorized to transact a
general surety business in the State of California, as Surety, are held and firmly bound to the State of California in the penal sum of
_____ dollars (\$ _____) for which payment we bind ourselves, our heirs, executors, administrators,
successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, In accordance with the provisions of Sections 3700 to 3705 of the Labor Code of California, the Principal elected to self-insure, and made application for, or received from the Director of Industrial Relations of the State of California, a Certificate of Consent to Self-Insure, upon a furnishing of proof satisfactory to the Director of Industrial Relations of ability to self-insure and to compensate any or all employees of said principal for injury or disability, and their dependents for death incurred or sustained by said employees, pursuant to the terms, provisions and limitations of said Labor Code.

THEREFORE, the conditions of this bond or obligation are such that if Principal shall pay and furnish compensation, pursuant to the terms, provisions and limitations of said Labor Code to its employees for injury or disability, and to the dependents of its employees for death incurred or sustained by said employees, then this bond or obligation shall be null and void; otherwise to remain in full force and effect.

FURTHERMORE, It is understood and agreed that;

1. This bond may be amended, by agreement between the parties hereto and the Director of Industrial Relations, as to the identity of the principal herein named and, by agreement of the parties hereto, as to the premium or rate of premium. Such amendment must be by endorsement upon, or rider to, this bond, executed by the surety and delivered to or filed with the Director.

2. The surety does, by these presents, undertake and agree that the obligation of this bond shall cover and extend to all past, present, existing, and potential liability of said principal, as a self-insurer, to the extent of the penal sum herein named, without regard to specific injuries, date or dates of injuries, happenings or events.

3. The penal sum of this bond may be increased or decreased, by agreement between the parties hereto and the Director of Industrial Relations, without impairing the obligation incurred under this bond for the overall coverage of the said principal, for all past, present, and existing and potential liability, as a self-insurer, without regard to specific injuries, date or dates of injuries, happenings or events, to the extent, in the aggregate, of the penal sum as increased or decreased. Such amendment must be by endorsement.

4. This bond shall be continuous in form and shall remain in full force and effect unless terminated in the manner provided by law.

5. The aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

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6. Where the principal posts with the Director of Industrial Relations a replacement security deposit, in the form of a surety bond, irrevocable letter of credit, cash, securities or any combination thereof, in the full amount as may be required by the Director to secure all incurred liabilities for the payment of compensation of said principal under Labor Code Section 3701, the surety is released from the obligations under this surety bond upon the date of acceptance by the Director of said replacement security deposit.

7. In the event of a change in the proprietorship of the principal or the appointment of a receiver or trustee for said principal and thirty (30) days after the receipt of notice by the Director of Industrial Relations, State of California, given by registered or certified mail, by the principal or surety, herein named, the obligation of this bond shall terminate, save and except as to all past, present, existing and potential liability of the principal incurred as a self-insurer. This bond shall also terminate upon the revocation of the Certificate of Consent to Self-Insure, save and except as to all past, present, existing and potential liability of the principal, incurred as a self-insurer; and the principal and the surety, herein named, shall be notified in writing, by said Director, in the event of such revocation.

8. If the said principal shall suspend payment of workers' compensation benefits or shall become insolvent or a receiver shall be appointed for its business, the undersigned surety will become liable for the workers' compensation obligations of the principal on the date benefits are suspended and the surety shall begin payments within thirty (30) days after receipt of written notification by the Director of Industrial Relations of California to begin payments under the terms of this bond.

9. When the surety exercises its obligation to pay claims, it shall pay benefits due to the principal's injured workers without a formal award of the Workers' Compensation Appeals Board and such payment will be a credit against the penal sum of the bond. Administrative and legal costs incurred by the surety in discharging its obligations shall also be a charge against the penal sum of the bond, however, the total amount of this surety bond set aside for the payment of said administrative and legal expenses shall be limited to a maximum of ten percent (10%) of the total penal sum of the bond pursuant to Labor Code Section 3701(b). Payment by the surety of the principal's obligation for administrative and legal expenses under Section 3701(b) in an amount not to exceed 10% of the penal sum of the bond shall satisfy in full the surety's obligation to pay said administrative and legal expenses of the principal.

10. If any part or provision of this bond shall be declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other provisions or parts of this bond.

11. If the Director of Industrial Relations of California directs the Self Insurer Security Fund to assume the payment of the workers' compensation obligations of the principal pursuant to Labor Code Section 3701.5, the surety shall pay upon written demand by the Director and within thirty (30) days of receipt of such demand to the Self Insurer Security Fund the entire penal sum of the bond that remains unpaid.

12. Disputes concerning the posting, renewal, termination, exoneration, or return of all or any portion of the principal's security deposit or any liability arising Out of the posting or failure to post security, or the adequacy of the security or the reasonableness of administrative costs, including legal costs, arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, the principal, or the Self Insurer Security Fund shall be resolved by the Director of Industrial Relations of California pursuant to Labor Code Section 3701.5(g).

13. This bond is executed by the Surety to comply with the provisions of Chapter 2, Title 14, Part 2 of the Code of Civil Procedure and the provisions of Article 1, Chapter 4, Part 1, Division 4 of the Labor Code and said bond shall be subject to all terms and provisions thereof.

Name of Surety

Address

City, State, Zip

THIS bond is executed under an unrevoked appointment or power of attorney.

I certify (or declare) under penalty of perjury under the laws of the State of California that I have executed the foregoing surety bond under an unrevoked power of attorney.

Executed in _____ on _____
(City/State) (Date)

Signature of Attorney-in-Fact

Printed or typed name of attorney- Fact

A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the bond to do so for and in behalf of the insurer, must be filed in the office of the clerk of the county of Sacramento or must be included with this bond for such filing.