

ACCEPTABLE LETTER OF CREDIT LANGUAGE

Bank Name and Address

Issuance Date: _____

Letter of Credit No. _____

“Name of Applicant” and self-insured subsidiaries and affiliates, if any

Beneficiary

Amount: _____

Georgia Self-Insurers Guaranty Trust Fund

Amount in Words: _____

P. O. Box 57047

Atlanta, Georgia 30343

OR

303 Peachtree Street, Suite 3500

Atlanta, Georgia 30308

Dear Georgia Self-Insurers Guaranty Trust Fund:

We hereby establish our Irrevocable Letter of Credit in favor of you, the beneficiary, at the request of and for the account of (Name of Applicant) _____ up to the aggregate amount of _____ available by your draft(s) drawn at sight and agree that any draft drawn under and in compliance with the terms of this credit will be fully honored by us if presented at this office, (Address of Bank)

_____, Attn: Letter of Credit Department, on or before (Date) _____, or any extended date, provided:

1. This letter of credit shall be automatically extended annually for an additional period of one year from the present or each applicable expiration date unless we have notified you in writing not less than thirty (30) days before such date that we elect not to renew this letter of credit. Our notice of such election shall be sent by registered mail to you at the above address to the attention of the Georgia Self-Insurers Guaranty Trust Fund.
2. Any draft(s) drawn by you, as beneficiary, under this Letter of Credit shall be accompanied by your written certification that either: (a) “Demand has been made to or by the Georgia Self-Insurers Guaranty Trust Fund or the Georgia State Board of Workers’ Compensation for payment of weekly indemnity compensation, disability, expenses of medical, hospital, surgical, rehabilitation and other services, death benefits, funeral expenses, administrative costs, expenses, fines or penalties in relation to workers’

compensation claims made either before or after the date of this Letter of Credit under the provisions of the Georgia Workers' Compensation Act." or (b) "The bank's notice of election not to renew has been received.

However, we have not released (Name of Applicant) _____ from liability, and we will hold the proceeds of our draft as collateral until all statutes of limitations regarding the filing and payment of workers' compensation claims have expired. These draft proceeds will be held for the purpose of paying all past, present and future weekly indemnity compensation, disability, expenses of medical, hospital, surgical, rehabilitation and other services, death benefits and funeral expenses related to workers' compensation claims arising while the applicant was self-insured under the provisions of the workers' compensation law, including claims arising from incidents that occurred prior to the expiration date and issuance date of your Letter of Credit, even though notice of such claims has not been received by us until after said expiration date."

3. Your acceptance of the credit will constitute your agreement to repay to us funds paid to you hereunder to the extent that such funds exceed the total paid for workers' compensation claims, medical expenses, burial expenses, attorneys' fees or other expenses payable under the provisions of the Georgia Workers' Compensation Act.

Draft(s) drawn under this credit must state on their face "Drawn Under (Banking Institution) Irrevocable Letter of Credit No. _____ dated (Date)."

Except as otherwise expressly stated herein, this letter of credit is subject to the uniform customs and practice for documentary credits, established by the International Chamber of Commerce, as in effect on the date of issuance of this credit.

Sincerely,
(Banking Institution)

By: _____

Officer