

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

Effective Date \_\_\_\_\_

GEORGIA SELF-INSURERS GUARANTY TRUST FUND

**Bond Required of Employer to Operate as Self-Insurer**

KNOW ALL PERSONS BY THESE PRESENTS, that we, \_\_\_\_\_, an employer as defined by the laws of the State of Georgia, hereinafter "Principal" and \_\_\_\_\_, a corporation duly incorporated under the laws of the State of \_\_\_\_\_, hereinafter "Surety", are held and firmly bound to the Georgia Self-Insurers Guaranty Trust Fund, hereinafter referred to as "Fund", in the full penal sum of \_\_\_\_\_ Dollars, currency of the United States, to be paid to the Fund, and to payment we hereby bind ourselves and each of us, our successors and assigns, jointly and severally by these presents.

WHEREAS, in accordance with the provisions of the Georgia Workers' Compensation Act, O.C.G.A. §34-9-1, et. seq., hereinafter referred to as the "Act", and the rules and regulations pertaining thereto, the Principal has filed its application with the Georgia Self-Insurers Guaranty Trust Fund and the Georgia State Board of Workers' Compensation seeking certification as a self-insurer in Georgia as permitted by O.C.G.A. §34-9-121 and O.C.G.A. §34-9-382.

WHEREAS, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, the Georgia State Board of Workers' Compensation entered an order granting Principal authority to conduct business as a self-insured employer in Georgia for a continuous period from year to year from the date of said order until revocation by the State Board of Workers' Compensation. This certification is conditioned upon the Principal providing a surety bond in the penal sum of \$\_\_\_\_\_ and the Principal abiding by and performing all obligations under the Act and the rules and regulations that have been, are now or may hereafter be adopted by the State Board of Workers' Compensation or the Fund, including without limitation, payment of weekly indemnity benefits, permanent partial disability benefits, medical, hospital and surgical expenses, physical or vocational rehabilitation, death benefits, funeral expenses, and other obligations required by the State Board of Workers' Compensation or the Fund, pursuant to statute, order or resolution.

WHEREAS, the intent of this bond is to insure that the rights of the Principal's employees and their dependents as determined by operation of law under the Georgia Workers' Compensation Act are protected, and that the Principal's obligations to its employees and dependents under the Act shall continue to be met even if the Principal itself is unable to meet them for whatever reason.

NOW, THEREFORE, the conditions of the obligations under this bond are such that:

- (a) if the Principal discharges all of its obligations to its employees and their dependents under the Act and rules and regulations thereof, including subsequent amendments thereto, and all Orders of the State Board of Workers' Compensation and resolutions and directives from the Georgia Self-Insurers Guaranty Trust Fund; and
- (b) if the Principal timely satisfies all of its obligations to its injured or deceased employees, beneficiaries or their dependents under the Act, including without limitation payment of weekly indemnity, permanent partial disability benefits, medical, hospital and surgical expenses, rehabilitation, death benefits, and funeral expenses; and
- (c) if the Principal timely pays any and all assessments, fines and penalties imposed by the Fund or the State Board of Workers' Compensation, including without limitation, any interest, cost and reasonable attorney's fees; and
- (d) if the Principal timely pays any and all claims for reimbursement or assessment by the Fund, including without limitation reasonable administrative costs and reasonable attorney's fees; and
- (e) if the Principal timely satisfies all obligations under any other agreement or undertaking, either in the past, present or future, incurred by Principal as a self-insurer regarding workers' compensation benefits; and
- (f) if the Principal timely complies with all orders of the State Board of Workers' Compensation or directives from the Georgia Self-Insurers Guaranty Trust Fund:

then the obligations under this bond shall be null and void and the Surety discharged; otherwise the bond shall remain in full force and effect, subject to the following additional conditions:

1. In the event of a default or failure of the Principal for any reason to satisfy any obligation or condition set forth above, including without limitation, all obligations past, present, future and potential, for payment of weekly indemnity benefits, permanent partial disability benefits, expenses of medical, hospital, surgical, physical or vocational rehabilitation and other services, death benefits and funeral expenses provided for under the Act, as well as compliance with any Order directive or resolution of the State Board of Workers' Compensation or the Georgia Self-Insurers Guaranty Trust Fund, including orders for payment of penalties, fines, interest or attorney fees or in the event of the insolvency, bankruptcy or receivership of the Principal herein undertaken, then the Fund may from time to time make demand upon the Surety to pay such sum or sums as the Fund may, in its sole discretion, require to discharge promptly all or any part of the obligations of the Principal, or pursuant to the Act or rules and regulations issued thereunder, or any agreement or undertaking by the Principal as a self-insured employer. Such payment shall be made no later than fifteen (15) business days after receipt of such demand.

2. This is a continuous bond effective as of \_\_\_\_\_, and shall

remain in full force and effect until properly terminated by the Surety as hereinafter provided, or until the Principal's status as a self-insured employer has been revoked or terminated by the Fund or the State Board of Workers' Compensation, and in the event of revocation or termination, the Surety shall have liability for obligations of the Principal which arose prior to such revocation or termination as well as liability for all dates of occurrence or injury prior to the date of termination or revocation. Notwithstanding anything to the contrary herein, the Principal and Surety shall remain fully obligated under this bond, after its termination, for all obligations of the Principal arising from any act, event, default, occurrence, injury, death, penalty, fine or undertaking of the Principal which occurred before the revocation or termination hereof, even where the obligation to pay (e.g., to pay for future medical expenses or indemnity benefits) may not arise until after the date of termination of this bond.

3. This bond may be terminated at any time by the Surety upon the giving of thirty (30) days prior written notice to the Fund, the principal, and the State Board of Workers' Compensation all by certified mail, return receipt requested, in which event the liability of the Surety shall, at the expiration of said thirty-day period, cease and terminate as to dates of injury occurring thereafter except as to such obligations of the Principal on account of injury or death to any of its employees or on account of liability to the Fund for assessments, fines, penalties, assessments or reimbursements which obligations arose due to illness, injury, death, date of occurrence or exposure prior to the expiration of said thirty-day (30) period or a claim for same relating to an injury, illness, death, date of occurrence or exposure prior to termination.

4. Unless the Principal replaces this bond with acceptable security as described herein, the Principal and Surety shall remain fully obligated under this bond after its termination for the obligations of the Principal set forth above in this instrument which arose at any time before the termination hereof, even where the obligation to pay (e.g., to pay for future medical expenses or indemnity benefits) may not arise until after the date of termination of this bond. In the event the Principal posts with the Fund, a replacement bond in the full amount as may be required by the State Board of Workers' Compensation and the Fund to secure all liabilities, past, present and future, as described in this bond form, the Surety under this bond is hereby released from any and all obligations of this bond from the effective date of the replacement surety bond, except in the event of the bankruptcy or insolvency of any surety issuing a replacement bond, in which event the Surety under this bond shall remain liable under this bond as if no replacement security had been issued.

5. The total of all payments by the Surety for all the obligations of the Principal hereunder shall not exceed, in the aggregate, the penal amount of this bond. However, administrative and legal costs incurred by the Surety in discharging its obligations shall not be charged against the penal sum of this bond, it being the intent of the State Board of Workers' Compensation and the Fund that the full penal sum of this Bond be available to satisfy the obligations of the Principal to its employees and dependents under the Workers' Compensation Act and administrative and legal expenses incurred by the Georgia Self-Insurers Guaranty Trust Fund in administering or defending claims against the Principal.

6. In the event that it is necessary for the Fund to institute legal action to enforce this bond, the Principal and Surety shall pay to the Fund, the Fund's expenses of litigation, including

without limitation, reasonable attorneys' fees, court costs and prejudgement interest at the rate of ten (10) percent per annum.

IN WITNESS WHEREOF, said Principal and Surety have caused these presents to be executed in their names and by their seal to be hereunder affixed on this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Principal: \_\_\_\_\_(Seal)  
(Type Name)

Attest: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Surety: \_\_\_\_\_(Seal)  
(Type Name)

Attest: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Title: \_\_\_\_\_