Bond No. _____

State of Hawaii
Department of Labor and Industrial Relations
DISABILITY COMPENSATION DIVISION
Honolulu, Hawaii

SELF-INSURER'S BOND - HAWAII TEMPORARY DISABILITY INSURANCE LAW

KNOW ALL MEN BY THESE PRESENTS:

That _____ as Principal, and _____ _____, a _____ Corporation, of _____ _____, a surety company authorized to do business in the State of Hawaii, as Surety, are held and firmly bound unto the Director, Department of Labor and Industrial Relations, State of Hawaii, in the penal sum of _____ _____ DOLLARS ($_____), for the payment of which sum well and truly to be made, we, the Principal and Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, in accordance with (Chapter 392, HRS) known as the Hawaii Temporary Disability Insurance Law, the Principal has secured the approval of the Director, Department of Labor and industrial Relations, to self-insure pursuant to Sec. 392-41(2) of said Temporary Disability Insurance Law, and is required to file this bond with said Director.

NOW, THEREFORE, THE CONDITIONS OF THE OBLIGATION UNDER THIS BOND ARE SUCH that if the said Principal shall well and truly discharge promptly all its obligations under said Temporary Disability Insurance Law pursuant to the terms and provision thereof and the rules and regulations issued thereunder, then the obligation under this bond shall be null and void; otherwise, to remain in full force and effect, subject, however to the following express conditions:

1. In the event of failure of the Principal to pay any assessment or other obligation, including benefits, penalties, and assessments as required under said Law and rules and regulations, or in the event of insolvency, bankruptcy or receivership of the Principal, the Director may from time to time make written demand upon the Principal and Surety to pay to said Director such sum or sums up to the penal sum of this bond, as the Director may require to discharge promptly all present and future obligations of the Principal under or pursuant of said Law and the rules and regulations issued thereunder. Such payment shall be made within four (4) business days after receipt of such demand by the Surety. If such payment is made by the Surety, no part thereof shall be applied to obligations of the Principal other than those incurred during or with respect to the period that this bond is in force and effect.
2. This is a continuous bond and shall remain in force and effect until terminated by the Surety, as hereinafter provided, or until the Principal's status as a self-insurer has been revoked or terminated by the Director, and in either of such events, the Surety shall have no further liability except for the said obligations of the Principal, including a ratable part of the assessments for the current period, incurred during or with respect to any period prior to such termination during which this bond shall have been in effect.
3. This bond may be terminated by the Surety by written notice of its intention to do so filed in the Office of the Director, Department of Labor and Industrial Relations, and by giving written notice thereof to the Principal, in which event, the Surety's liability may terminate at the expiration of 24 months from the date of such filing and not earlier, subject, however, to the provisions of paragraph 2.
4. In the event of change in the legal entity of the Principal, the Principal shall immediately notify the Director and the Surety agrees to notify forthwith the Director in writing of any such change as soon as it receives notice or any knowledge thereof; provided, however, the Surety shall not be liable for the obligations of the new entity unless it consents thereto in writing.

5. The total of all payments by the Surety for all obligations hereunder incurred during the period that this bond is in force shall not exceed, in the aggregate, the penal sum set forth herein.
6. The penal sum of this bond may be increased or decreased, by an agreement to be made a part hereof, specifying the effective date of such increase or decrease, executed by the Principal and the Surety and accepted by the Director. In the event that the penal sum of this bond be increased or decreased, the Surety shall be liable hereunder in such increased or decreased amount, as the case may be, for obligations incurred during the period that such increase or decrease is in effect.
7. In the event payment is made by the Surety to the Director pursuant to the provisions of this bond, the Director may release the unused balance of such payment after proof satisfactory to the Director that the Principal has discharged all its current obligations, and where the bond has been terminated, after such proof and the lapse of 24 months.
8. The insolvency, bankruptcy or receivership of the Principal shall not relieve the Surety of its obligations under this bond.
9. Nothing herein shall be deemed to relieve the Principal of any liability arising under the Temporary Disability Insurance Law or under the rules and regulations issued pursuant to said Law.
10. This bond shall be effective from the _____ day of _____ _____, _____, and prior to the termination of this bond as hereinbefore provided.

IN WITNESS WHEREOF the Principal and Surety have signed or caused this bond to be duly signed and their respective seals to be hereto affixed this _____ day of _____ _____, _____.

PRINCIPAL:

_____

By: _____

SURETY:

_____

By: _____

Title: _____, Attorney-in-Fact