

Mississippi Workers' Compensation Commission

Bond Required of Employer to Operate as Individual Self-Insurer

KNOW ALL PERSONS BY THESE PRESENTS that we, _____

_____, an employer as defined by the laws of the State of Mississippi, ("Principal") and _____

_____, a corporation duly incorporated under the laws of the State of _____, ("Surety"), are held and firmly bound to the MISSISSIPPI WORKERS' COMPENSATION INDIVIDUAL SELF-INSURER

GUARANTY ASSOCIATION, ("Association"), in the full sum of _____

_____ Dollars (_____), currency of the United States, to be paid to the Association, and to the payment thereof we hereby bind ourselves and each of us, our successors and assigns, jointly and severally by these presents.

WHEREAS, in accordance with the Mississippi Workers' Compensation Law, § 71-3-1 et. seq., Miss. Code Ann. (1972), as amended, (the "Law"), and with the Mississippi Workers' Compensation Self-insurer Guaranty Association Law, § 71-3-151 et seq., Miss. Code Ann. (1972), as amended, (the "Association Law") and with the rules and regulations pertaining to the Law and the Association Law, the Principal filed its application for acceptance as an individual self-insurer as permitted by § 71-3-75 et seq., Miss. Code Ann. (1972).

WHEREAS, on the _____ day of _____, _____, the Mississippi Workers' Compensation Commission ("the Commission") entered an order granting Principal authority to conduct business as an individual self-insurer for a continuous period from year to year from the date of said order until revocation by the Commission. This authority is conditioned upon the Principal providing a surety bond in the penal amount of _____ and the Principal abiding by and performing all obligations under the Law and the Association Law and the rules and regulations that are now or may hereafter be adopted by the Commission or the Association, including without limitation, paying indemnity benefits, disability, medical, hospital and surgical expenses, rehabilitation, death benefits, and funeral expenses, and other obligations as required by the Commission or the Association.

WHEREAS, the intent of this bond is to ensure that the rights of the Principal's employees under the Law are protected, and that the Principal's obligations to its employees under that Law will 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 under the Law, under the Association Law, and under the and rules and regulations pertaining to each of them, and all subsequent amendments thereto;
- (b) if the Principal promptly satisfies all of its obligations to its injured or deceased employees or beneficiaries, including without limitation payment of indemnity, disability, medical, hospital and surgical expenses, rehabilitation, death benefits, and funeral expenses;

- (c) if the Principal promptly pays any and all assessments and fines imposed by the Association or the Commission, including without limitation, any interest, costs, and reasonable attorney's fees;
- (d) if the Principal promptly pays any and all claims for reimbursement by the Association, including without limitation its reasonable administrative costs, and its expenses in evaluating, adjusting, defending and settling covered claims of the employees of the Principal including reasonable attorney's fees;
- (e) if the Principal promptly satisfies all obligations under any other agreement or undertaking, whether in the past, present or future, executed by Principal as an individual self-insurer; and
- (f) if the Principal promptly complies with all orders of the Commission:

then the obligations under this bond shall be null and void; 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 obligations or conditions which are listed above, including without limitation, all obligations for payment of indemnity compensation, disability, expenses of medical, hospital, surgical, rehabilitation and other services, death benefits and funeral expenses provided for under the Law, which occur on or after the effective date of this bond, and the reasonable administrative costs of the Association and its expenses in evaluating, adjusting, defending, and settling covered claims, including reasonable attorney's fees; or in the event of insolvency, bankruptcy or receivership of the Principal, then the Association may from time to time make demand upon the Surety to pay such sum or sums as the Association may, in its sole discretion, require to discharge promptly all or any part of the obligations of the Principal, past, present, future or potential, or pursuant to the Act, rules and regulations issued thereunder, or any agreement or undertaking by the Principal as an individual self-insurer. Such payment shall be made within fifteen (15) business days after receipt of such demand by the Surety.

2. This is a continuous bond effective as of _____, and shall remain in full force and effect until terminated by the Surety as hereinafter provided, or until the Principal's status as an individual self-insurer has been revoked or terminated by the Association or the Commission, and in either of such events the Surety shall have no further liability except for obligations of the Principal which arose during the period that this bond is in effect. 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 covered claim, act, event, occurrence, injury, death, or undertaking of the Principal which occurred 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.

3. This bond may be terminated at any time by the Surety upon the giving of sixty (60) days prior written notice to the Association, the principal, and the commission, in which event the liability of the Surety shall, at the expiration of said thirty-day period, cease and terminate as to new dates of injury occurring thereafter and 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 Association for assessments or reimbursements which arose due to illness, injury or exposure prior to the expiration of said thirty-day period. Unless the Principal replaces this bond with acceptable security as described below, the Principal and Surety shall remain fully obligated under this bond after its termination for the obligations of the Principal arising from any act, event, occurrence,

injury or death or undertaking of the Principal which occurred 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 Association a replacement bond in the full amount as may be required and approved by the Commission 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 from the effective date of the replacement surety bond.

4. The total of all payments by the Surety of 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 Commission and the Association that this security is available only to satisfy the obligations of the Principal to its employees under the Law and to reimburse the Association for its expenses in evaluating, adjusting, defending and settling covered claims of the employees of the Principal.

5. In the event that it is necessary for the Association to institute legal action to enforce this bond, the Principal and Surety shall pay to the Association, the Association's expenses of litigation, including without limitation, reasonable attorneys' fees, court costs and prejudgment interest at the legal rate.

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)

By: _____

Title: _____

Attest: _____
Secretary

Surety: _____ (Seal)
(Type Name)

By: _____

Title: Attorney in Fact _____

Attest: _____
Secretary