

**STATE of WEST VIRGINIA  
INSURANCE COMMISSIONER OF WEST VIRGINIA  
SELF-INSURANCE UNIT  
1124 SMITH STREET  
POST OFFICE BOX 11410  
CHARLESTON, WEST VIRGINIA 25339-1410**

**SURETY BOND OF SELF INSURER OF WORKERS' COMPENSATION**

In the Matter of Self Insured )  
)  
)  
Employer Policy No. \_\_\_\_\_ )

**SURETY BOND**  
No. \_\_\_\_\_

**KNOW ALL PERSONS BY THESE PRESENTS:**

**THAT** \_\_\_\_\_  
Employer and Address

\_\_\_\_\_, as **PRINCIPAL**,  
whose address for service of process is \_\_\_\_\_;

and, \_\_\_\_\_  
Surety and Address

\_\_\_\_\_, as **SURETY**,  
whose address for service of process is \_\_\_\_\_;

a corporation organized under the laws of \_\_\_\_\_,

and authorized to transact a general surety business in the State of West Virginia, are held and firmly bound unto the Insurance Commissioner of West Virginia, as regulator for workers' compensation and administrator for certain workers' compensation related funds, under Chapters 23 and 33 of the *W. Va. Code*, to secure any liability, known or contingent, that has occurred, accrued to or is incurred, by the principal, pursuant to Chapters Twenty-Three and Thirty-Three of the West Virginia Code, as amended, and West Virginia Code of State Rules, Title 85, as amended, in the penal sum of

\_\_\_\_\_ ( \_\_\_\_\_ ) DOLLARS,  
for which payment to be made well and truly on demand, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

**WHEREAS**, in accordance with the provisions of the *West Virginia Code*, 1931, as amended, particularly, but not exclusively, Chapter 23, Article 2, Section 9 and Article 2C, Sections 1 *et seq.*, thereof, and the Rules promulgated thereunder, particularly, but not exclusively, Title 85, Series 6, 8, 9, 18 and 19, thereof, as amended, the Principal has made application or has received permission, to elect to self insure, that is, to individually and directly pay compensation to its injured employees and to the dependents of its fatally injured employees, whether in the form of pecuniary compensation or medical and rehabilitation services and attention, funeral expenses or otherwise, and to pay to them compensation benefits of the value at least equal to the compensation provided in West Virginia's workers' compensation laws, found in Chapter 23, and the rules promulgated thereunder; to pay this compensation partly in lieu of the requirement of paying premiums in advance to the Workers' Compensation Commission, or to a private insurance carrier; and, to pay any liability that has occurred, accrued to or is incurred by the Principal as a self-insured employer to the West

Virginia Workers' Compensation Commission or the Insurance Commissioner of West Virginia, or both, under the aforesaid provisions of law, and rules, including any and all surcharges and assessments, as well as benefit administration charges; and, therefore, files this surety bond to secure all its liability, known or contingent, as a self-insured employer under the aforesaid provisions of law and rules.

**NOW, THEREFORE**, the conditions of this bond and obligation are such that if the Principal shall pay and furnish compensation benefits to its injured employees or the dependents of its fatally injured employees, and all surcharges, assessments and administration charges owed to the Insurance Commissioner, as a self-insured employer, pursuant to the terms, provisions and limitations of the aforesaid workers' compensation law and rules, then this bond and obligation shall be null and void, otherwise to remain in full force and effect.

**FURTHERMORE**, it is understood and agreed that:

1. The Surety does, by these presents, undertake and agree that the obligation of this bond shall cover and extend to all past, present, existing, potential and future, known or contingent, liability of the Principal, as a self-insured employer, under the aforesaid law and rules, to the extent of the penal sum of this bond, without regard to specific injuries, date or dates of injuries, happenings or events.

2. This bond may be amended, by agreement between the parties hereto and after agreement thereto by the Insurance Commissioner, as to the identity of the Principal named herein. Such amendment must be by endorsement upon or rider to this bond, which is executed by the Surety and delivered to or filed with the Insurance Commissioner.

3. The penal sum of this bond may be increased or decreased, by agreement between the parties hereto and after agreement thereto by the Insurance Commissioner, without impairing the obligation incurred under this bond for the overall coverage of the Principal and the security of the Insurance Commissioner, for all past, present, existing, potential and future liability of the Principal, as a self-insured employer, 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 upon or rider to this bond, executed by the Surety and delivered to or filed with the Insurance Commissioner, and the same must be acknowledged as accepted by the Insurance Commissioner when the endorsement or rider will decrease the penal sum of this bond.

4. The aggregate liability of the Surety hereunder to the Insurance Commissioner upon the default of the Principal on all claims whatsoever shall not exceed the aggregate penal sum of this bond in any event; except that the Surety shall be liable, in addition to all other liability, and in amounts independent of and in addition to the penal sum of and under this bond, for the payment of all legal and administrative costs, including reasonable attorney fees, incurred in any and all actions or proceedings taken, by the Surety or the Insurance Commissioner, or both, to enforce payment of this bond or payment of any award, judgement, assessment or penalty rendered against the Principal or the Surety; or to cause indemnification of the Surety by the Principal, or others, under this bond or other agreements relating to this bond, as well as interest accrued on any unpaid demand on this bond.

5. Upon default of the Principal to meet the conditions of the obligations of a self-insured employer under the aforesaid law and rules, the Surety shall immediately upon demand of the Insurance Commissioner, and prior to Surety's demand for the institution of suit or other action or demand, if any, against the Principal, pay on its own account to the Insurance Commissioner, to the extent of the penal sum of this bond, and discharge the entire known and contingent obligation of the Principal under the aforesaid law and rules.

6. Default in meeting the conditions of the obligations of a self-insured employer shall include, without limitation by reason of exclusion, events of failure at anytime for whatever reason to discharge and pay timely any or any part of the obligations of whatever character and nature of the Principal as a self-insured employer under the aforesaid law and rules, including, without said limitation, an event such as a change in proprietorship of the Principal or the appointment of a receiver or trustee for the Principal or the commencement of voluntary bankruptcy by a Principal or the commencement and order of relief of involuntary bankruptcy against a Principal.

7. Upon default of the Principal, the Insurance Commissioner may make immediate demand or demands of the Surety for payment, to the extent in the entire aggregate amount of the penal sum of this bond, in its discretion, of either the present value of the entire known and contingent obligation of the Principal under the

provisions of the aforesaid law and rules or, on a periodical basis, of any incurred and unpaid obligation of the defaulted Principal, self-insured employer covered by this bond. Surety shall have twenty (20) days after receipt by certified mail of any demand to pay the amount thereof without interest charge or accrual on the principal amount of the demand. Thereafter, any demand unpaid shall accrue, until paid, an interest charge at the rate set by statute in the West Virginia Workers' Compensation Act at Chapter 23 of the *West Virginia Code*, or otherwise as may be provided by law or policy. Such accrued interest shall not be a charge against or reduction of the penal sum of this bond; such interest charge shall be borne as a cost of the Surety in addition to the said penal sum.

8. In no event shall the Surety refuse to honor immediately a claim against its bond solely because of misrepresentations made to the Surety by a previous surety or by the Principal, or both to induce the Surety to issue its bond.

9. This bond shall be continuous in form and shall remain in full force and effect unless terminated in the manner provided herein:

- (a) This bond may be terminated as of and on a date specified by the Surety by and in a written notice of termination filed with the Insurance Commissioner and given by certified mail to the Principal. Such termination shall not be effective, however, unless the date specified for termination occurs at least sixty (60) days after the date of such filing and receipt of such mailing, and not earlier. The liability of the Surety shall nevertheless continue as to any and all obligations of the Principal as, or on behalf of, a self-insured employer, under the aforesaid law and rules occurring prior to the effective date of termination.
- (b) The continuing liability of the Surety is subject, however, to termination and release of all liability of the Surety under this bond, upon the Insurance Commissioner's acceptance of any new bond or other acceptable security from or in behalf of the self-insured employer as a substitute for this bond. The Insurance Commissioner shall notify the Surety of the date upon which the substitute bond or security becomes subject to the obligations of the self-insured employer and the Surety is released. Such substitute bond or security shall assume and be subject to the entire liability of this and any previous bond, except as to any liability already paid or discharged, and the substitute bond or security posted by the self-insured employer shall be liable for all claims or obligations presented against the self-insured employer thereafter, without right of contribution from any prior surety.
- (c) The liability of the Surety under this bond shall not terminate or be released upon the Insurance Commissioner's acceptance of any new bond or security from or in behalf of the Principal which is in addition to this bond. The Surety under this bond shall continue to be obligated to the extent of its liability under this bond, although the Insurance Commissioner may resort to any such additional bond or security.
- (d) This bond shall also terminate upon the Insurance Commissioner's revocation of the self-insured employer's privilege of election to be self-insured, save and except as to all past, present, existing, potential and future, known or contingent, liability incurred as a self-insured employer, including liability resulting from obligations which are incurred but not yet reported, awarded or ordered, prior to the effective date of termination by revocation. The Principal and the Surety herein named, shall be notified in writing by the Insurance Commissioner in the event of such revocation.

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

11. This bond is executed by the Surety and the Principal to comply with the laws of the State of West Virginia and each of them acknowledges that this bond is made subject to all provisions thereof and agree to be bound thereby.

12. Upon acceptance of this surety bond and confirmation of acceptance by the Insurance Commissioner, the Surety and the Principal agree that the effective date of this accepted instrument is the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

IN WITNESS WHEREOF, the Principal and Surety have each caused his or her name or its corporate name to be hereunto signed and acknowledged and its corporate seal to be thereby affixed by its properly authorized officer, agent or attorney-in-fact:

\_\_\_\_\_  
PRINT NAME OF PRINCIPAL

\_\_\_\_\_  
PRINT DBA NAME OF PRINCIPAL

**ATTEST:** (Affix Seal Here)  
(Or attach a certified extract of authority)

\_\_\_\_\_  
Signature of Corporate Secretary of Principal

\_\_\_\_\_  
Print Name Signed Above

By: \_\_\_\_\_  
Signature

Its: \_\_\_\_\_  
Title

**ATTEST:** (Affix Seal Here)  
(Or attach a certified extract of authority)

\_\_\_\_\_  
Signature of Corporate Secretary of Surety

\_\_\_\_\_  
Print Name Signed Above

\_\_\_\_\_  
PRINT NAME OF SURETY

By: \_\_\_\_\_  
Signature

Its: \_\_\_\_\_  
Title

If this bond is executed under an unrevoked appointment of power of attorney, the same is certified by signature above as being unrevoked and valid on the date signed; and, the appointment of power of attorney instrument is attached hereto.

**ACCEPTED BY:  
INSURANCE COMMISSIONER OF WEST VIRGINIA**

By: \_\_\_\_\_  
Director of Self-Insurance

Date: \_\_\_\_\_

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

Dated: \_\_\_\_\_

**ACKNOWLEDGEMENT FOR A CORPORATION:**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ (date), by \_\_\_\_\_ (name of officer), its \_\_\_\_\_ (title of officer), of \_\_\_\_\_ (name of corporation), a \_\_\_\_\_ (resident state) corporation, on behalf of the corporation.

(Seal)

\_\_\_\_\_  
Notary Public

**ACKNOWLEDGEMENT FOR A CORPORATION:**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ (date), by \_\_\_\_\_ (name of officer), its \_\_\_\_\_ (title of officer), of \_\_\_\_\_ (name of corporation), a \_\_\_\_\_ (resident state) corporation, on behalf of the corporation.

(Seal)

\_\_\_\_\_  
Notary Public

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

Dated: \_\_\_\_\_

**ACKNOWLEDGEMENT FOR A LIMITED LIABILITY COMPANY:**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ (date), by \_\_\_\_\_, member (member-managed company) or manager (manager-managed company) on behalf of \_\_\_\_\_, a limited-liability company.

(Seal)

\_\_\_\_\_  
Notary Public

**ACKNOWLEDGEMENT FOR A PARTNERSHIP OR A LIMITED LIABILITY PARTNERSHIP:**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ (date), by \_\_\_\_\_, partner(s), on behalf of \_\_\_\_\_, a partnership or a limited-liability partnership.

(Seal)

\_\_\_\_\_  
Notary Public

**ACKNOWLEDGEMENT FOR AN INDIVIDUAL ACTING IN HIS OWN RIGHT:**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ (date), by \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public