
STATE OF MARYLAND
WORKERS' COMPENSATION COMMISSION
10 E. BALTIMORE STREET
BALTIMORE, MARYLAND 21202

CONTINUOUS SURETY BOND

Bond Number:

Effective Date:

KNOW ALL PERSONS BY THESE PRESENTS, that:

a corporation with principal place of business in the City of _____,
State of _____ as Principal, and:

a company authorized to transact surety business in the State of Maryland, as Surety, is hereby held and bound to the Maryland Workers' Compensation Commission, for the use and benefit of all employees of the Principal and persons who may be entitled to compensation, medical, surgical and other services and funeral expenses under the Workers' Compensation Law of the State of Maryland, in the aggregate sum of:

Dollars (\$) _____),

for the payment of which sum the Surety binds itself, its successors and assigns, jointly and severally with the Principal, by these presents:

WHEREAS, in accordance with the provisions of Maryland Annotated Code, Labor and Employment § 9-405, Maryland Statutes, the Principal has received approval of the Workers' Compensation Commission, hereinafter referred to as the Commission, to self-insure as of _____ and desires to file this Surety Bond to secure its liability beginning on that date as an employer pursuant to Maryland Annotated Code, Labor and Employment § 9-405.

WHEREAS, the Principal, by virtue of said self-insurer status, shall abide by and perform the requirements of the Workers' Compensation Law and all amendments thereto respecting the payment of compensation, the furnishing at its own cost and expense of medical, surgical and other services and funeral expenses, in all cases where any employee contracted occupational disease or sustained accidental injury, the payment of its proportionate share of the special tax for the maintenance of workers compensation pursuant to Maryland Annotated Code, Labor and Employment § 9-316, and the rules and regulations that are now or may hereafter be adopted by the said Commission with respect to the same benefits and payments that are due, or which may become due, then under the terms of the Workers' Compensation Law, as amended on account of accidental injury, occupational disease or death.

NOW, THEREFORE, it is understood and agreed that:

1. The Surety undertakes and agrees that the obligations of this Surety Bond shall cover and extend to all past, present, existing and potential liability of the Principal, as a self-insurer while self insured, to the extent of the penal sum of the bond without regard to specific injuries, date or dates of injury, happenings or events.

2. If the Principal defaults on any payments or obligations due under the provisions of the Workers' Compensation Law, as now or amended, the Surety will become liable to the Commission to the extent of the bond. The Principal is responsible for notifying the Surety and the Commission of their expected default no later than 48 hours prior to default. Upon default, the Commission will make written demand, served personally or by certified mail, to the Surety for payments to begin on or before 10 days from the date of demand

3. The cost of administration of the bond shall be deducted from the bond amount. The Commission shall approve such costs.

4. This Surety Bond may be cancelled as of 12:01 am on a specified date by the Surety by and in a written notice of cancellation given by certified mail to the Commission at: Workers' Compensation Commission, 10 E. Baltimore Street, Baltimore, Md. 21202, and to the Principal. Such cancellation shall not be effective, however, unless the specified date thereof occurs at least 60 days after the date of receipt by the Commission of such notice and not earlier. Such cancellation shall in no way limit the liability of the Surety for subsequent defaults of the Principal's obligations incurred under the Workers' Compensation Law prior to such termination. Provided, however, the liability of the Surety hereunder shall be fully discharged in the event the Principal files substitute security covering all past, present, existing and potential liability of said Principal.

5. If the Surety shall undertake or continue the handling of claims against the Principal, the Surety shall use a third party administrator registered and approved by and with the Commission.

6. If the Surety bond is with a surety whose financial standing according to AM Best falls below an A-, the Principal must replace the Surety with another company with an A- or above rating within 60 days of notification by the Commission. If the Surety assumes responsibility for the payment of claims against the principal and its AM Best rating falls below A-, the Commission at its sole discretion may demand that the full amount of the bond, net of any payments against it, shall be placed in a Maryland depository in the name of the Maryland Workers' Compensation Commission, for the use and benefit of all employees of the Principal and persons who may be entitled to compensation, medical, surgical and other services and funeral expenses under the Workers' Compensation Law of the State of Maryland. The surety may draw down such amounts approved by the Commission as necessary to pay the expenses covered herein and any earnings on the amounts deposited and invested by the depository as provided for in LE § 9-405(b)(1)(i). Upon request, the Commission will release all unspent security back to the Surety after determination that all workers' compensation liabilities of the principal while self-insured have been satisfied.

7. Within 60 days of assuming responsibility for the payment of claims, and every three (3) years thereafter, the Surety shall provide the Commission, at its own expense, an independently prepared actuarial report on the remaining liability of the Principal for workers' compensation while a self-insured employer.

8. In the event that the security bond is demanded and responsibility for payment of claims is transferred to the Surety or other party approved by the Commission, the Principal shall immediately release all workers' compensation files and reports including indemnity and medical case records and files, related records on paid, incurred, case reserve and IBNR estimates and other reports required by the Commission or surety, during the period of self-insurance to the Surety or designated third party administrator.

9. In accordance with Maryland Annotated Code, Labor and Employment § 9-405, the Commission has the authority to increase or decrease the amount of the security required of a self-insurer. The penal sum of this bond, may, therefore, be increased or decreased, by agreement between the parties hereto and the Commission. The revised penal sum shall apply in full force to all obligations specified in the aforementioned paragraphs.

10. This bond and any subsequent rider are subject to the acceptance of the Commission. The original and any subsequent rider will be filed with the Insurance Division of the Workers Compensation Commission.

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

12. This Bond shall terminate upon the revocation of approval of self-insurance by the Commission, save and except as to all past, present, existing and potential liability of the Principal, incurred as a self-insurer. The Commission, in the event of such revocations, shall notify the Principal and the Surety, herein named, in writing.

IN WITNESS WHEREOF the Principal and Surety has signed or caused this Surety Bond to be duly signed, and its seal hereto affixed at this _____ day of _____, 20_____.

PRINCIPAL

SURETY

Signature

Signature

By (Print Name)

By (Print Name)

Title

Title

Street

Street

Additional: Suite, Number

Additional: Suite, Number

City

State Zip Code

City

State Zip Code

Telephone

Telephone