CONTINUOUS BOND

a company authorized to transact surety business in the Commonwealth of Kentucky, as Surety, and ____________________________

a self-insured employer, as Principal, are hereby held and firmly bound to the Department of Workers’ Claims in the aggregate sum of $___________________ the payment of which the Surety and Principal bind themselves, their successors and assigns, jointly and severally.

1. In accordance with Chapter 342 of the Kentucky Revised Statutes and the administrative regulations promulgated thereunder (the “Kentucky Workers’ Compensation Act,” as it may be amended from time to time), the Principal has been certified to self-insure its workers’ compensation liability and files this bond to satisfy its obligation to provide an acceptable bond to secure, to the extent the Commissioner of the Department of Workers’ Claims directs, the payment of workers’ compensation liabilities as they are incurred. If the Principal shall discharge promptly and completely all of its liabilities under the Kentucky Workers’ Compensation Act, then the obligations under this bond shall be null and void; otherwise the obligations remain in full force and effect, subject only to other provisions of this bond.

2. Surety agrees that the obligations of this bond shall extend to all past, present, future and potential liability of the Principal as an employer that is self-insured for workers’ compensation liabilities in Kentucky.

3. This is a continuous bond and shall apply to new as well as existing workers’ compensation liabilities incurred by the Principal until the bond is terminated by the Surety, as hereinafter provided, or until the Principal’s status as a self-insurer has been revoked or terminated by the Commissioner, and in any of the above-described events the Surety shall remain obligated under the provisions of this bond for future payments of workers’ compensation liabilities incurred by the Principal prior to termination or revocation. However, the Surety shall be released from its liability if the Principal provides replacement surety acceptable to the Department of Workers’ Claims for payment of the liabilities covered by this bond.
4. This bond may be terminated by the Surety by filing a written notice of intent to terminate the bond in the Office of the Commissioner of the Department of Workers’ Claims and mailing a copy of the notice to the Principal on or before the date of filing, in which event the Surety’s obligation for new workers’ compensation liabilities shall terminate sixty (60) days from the date of such filing with the Commissioner. If the Principal fails to file substitute security that is acceptable to the Commissioner within thirty (30) days of the filing of the Surety’s notice, the Principal shall be in default and this bond may be called. Substitution of surety may be allowed only by novation whereby the new surety or other security assumes all liabilities of the Principal past, present, future and potential, under the Kentucky Workers’ Compensation Act.

5. The Commissioner of the Department of Workers’ Claims may make written demand personally or by mail upon the Principal and Surety, at the addresses indicated on the face of this bond, for any portion of the bond amount from time to time or for the full amount of the bond upon a default by the Principal in the performance of any of its obligations as a self-insured employer or upon the insolvency, bankruptcy, or receivership of either the Principal or the Surety. Payment shall be made within fifteen (15) business days after delivery of such demand to the Surety.

6. The amount of this bond may be increased or decreased by an agreement stating the effective date of the increase or decrease, executed by the Principal and Surety on the form specified by the Department of Workers’ Claims, and approved by the Commissioner of the Department of Workers’ Claims.

7. If the Surety makes payment to the Commissioner of the Department of Workers’ Claims pursuant to the provisions of this bond, any unused balance may be released to the Surety by the Commissioner upon proof of payment and a lapse of time adequate to assure that the Principal’s liabilities under the Kentucky Workers’ Compensation Act have been fully satisfied and that each has been paid or lapsed under the Act.

8. The insolvency, bankruptcy or receivership of the Principal shall not relieve the Surety of its obligations under this bond.

9. Nothing stated herein shall be deemed to relieve the Principal of any liabilities arising under the Kentucky Workers’ Compensation Act.
IN WITNESS WHEREOF, the **Principal** and **Surety** herein have caused this bond to be signed and executed in their names and on their behalf this ______ day of __________________, 20_____.

ATTEST:

________________________

**PRINCIPAL**

BY:________________________(seal)

ATTEST:

________________________

**SURETY**

BY:________________________(seal)

**NOTE:** Please type name and title below signatures.
Power of attorney must be attached.