



**ILLINOIS WORKERS' COMPENSATION COMMISSION
SELF-INSURER'S SURETY BOND**

Bond No.: _____

Bond Amount: \$ _____

Date Self-Insurance
Privilege Granted: _____

Principal (Employer)

Name: _____

Address: _____

Surety

Name: _____

Address: _____

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned Principal and the Surety, an authorized insurer in the State of Illinois, are held and firmly bound unto the people of the State of Illinois for the use and benefit of all employees of the Principal who may be entitled to compensation under laws of the State of Illinois known as the Workers' Compensation Act, effective July 9, 1951, as amended, and the Workers' Occupational Diseases Act, effective July 9, 1951, as amended, (hereinafter collectively called the "Acts") in the stated Bond Amount, for the payment of which sum we bind ourselves, our successors, and assigns, jointly and severally firmly by these presents, as hereinafter provided.

Principal is an employer which has been granted permission by the Illinois Workers' Compensation Commission to provide and pay the compensation benefits provided for in the Acts without insurance, for which Principal is required to provide security guaranteeing payment by the Principal of the amounts due to the employees of Principal under the Acts.

The condition of the foregoing obligation is such that if the Principal shall pay or cause to be paid direct to Principal's employees the amounts due or that may become due under the Acts as the result of injuries and exposures occurring at any time subsequent to the date of the granting of permission as a private self-insurer under the Acts and the cost of defense related thereto, then this obligation shall be void; otherwise, it is to be and remain in full force and effect.

Limit of Liability. Notwithstanding the number of claimants or the number of times that the Bond is renewed or premium is paid, there shall be only one Bond Amount, and in no event shall the aggregate liability of the Surety, including the costs of defense, exceed the single Bond Amount shown above.

Payment of Proceeds. The Surety hereon does hereby recognize this Bond as a direct financial guarantee to Principal's employees, whether they be known, unknown or unnamed, and that Principal's employees are hereby authorized to maintain direct action on this Bond, including action for reasonable attorney's fees incurred in any action brought on this Bond. The Surety shall have the right to administer and defend all claims under the Bond. However, the Illinois Self-Insurers Advisory Board, pursuant to statute in such case made and provided, may make demand upon Surety for the payment of the Bond Amount or so much as required thereof to the Illinois Self-Insurers Security Fund for the sole purpose of discharging Surety's obligations hereunder. After such demand has been made, no employee shall maintain a direct action on this Bond and the Surety shall not make any payment under the Bond to any employee. Surety shall be released from liability under this Bond to the extent of any payment made to the Illinois Self-Insurers Security Fund.

One year after all obligations owed to the employees of the Principal under the provisions of the Acts have been satisfied and paid, any funds from this Bond remaining on deposit in the Illinois Self-Insurers Security Fund shall be returned to the Surety.

Subrogation. If the Surety becomes liable for any payment under this Bond for injuries or exposures of the Principal's employees, the Surety shall be subrogated, to the extent of such payment, to any of the rights and remedies of the Principal against any party in respect of said injuries or exposures and shall be entitled at Surety's own expense to sue in the name of the Principal. The Principal shall give Surety all such assistance in its power as Surety may require to secure Surety's rights and remedies and, at Surety's request shall execute all documents necessary to enable Surety effectively to bring suit in the name of the Principal, including the execution and delivery of the customary form of loan receipt.

Cancellation. The Surety or Principal shall have the right to cancel this Bond at any time, upon giving the other party and the Illinois Workers' Compensation Commission at least sixty (60) days prior written notice of its desire to do so. Such cancellation, however, shall not affect the Surety's liability as to any amounts then due or thereafter to become due hereunder as the result of injuries or exposures occurring prior to the date of cancellation specified in such notice; provided that if immediately following such cancellation date and without interruption Principal continues as a qualified private self-insurer under the Acts for which a subsequent surety bond or other financial security for the benefit of Principal's employees is issued, the Surety hereon is released from all liability under this Bond for injuries or exposures whensoever they occurred, and Surety's obligation hereunder shall be void.

Signed, sealed and delivered on the date below.

PRINCIPAL (EMPLOYER) CORPORATE SEAL

SURETY CORPORATE SEAL

Signature of Principal's representative

Signature of Attorney-In-Fact

Name and title

Name and title

Date

Date