

**COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF WORKERS' CLAIMS  
FRANKFORT, KENTUCKY 40601**

**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is terminated by the **Surety**, as hereinafter provided, or until the **Principal's** status as a self-insurer has been revoked or terminated by the Commissioner, and in any of the above-described events the **Surety** shall remain obligated under the provisions of this bond for future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.