

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA
INDIVIDUAL EMPLOYERS SELF-INSURED FOR WORKERS' COMPENSATION
PARENTAL GUARANTY

KNOW ALL PERSONS BY THESE PRESENTS, that _____ a business entity duly incorporated, existing or organized under the laws of the State of _____, as **Self-Insurer**, and _____, a business entity duly incorporated, existing or organized under the laws of the State of _____, as **Parent**, are held and firmly bound and shall be jointly and severally liable to the State of North Carolina, binding ourselves, our successors and assigns firmly by these presents.

WHEREAS, the North Carolina Commissioner of Insurance ("Commissioner") is required to regulate self-insured employers pursuant to Chapter 97 of the North Carolina General Statutes (hereinafter "Workers' Compensation Act"), which became law on March 11, 1929, and shall provide a license to approved self-insured employers for the purpose of paying workers' compensation obligations and liabilities.

WHEREAS, the Commissioner granted Self-Insurer a License to Self-Insure on the _____ day of _____, _____.

NOW THEREFORE, it is understood that this parental guaranty shall remain in full force and effect until released in writing by the Commissioner. Self-Insurer shall abide by and perform all the requirements of the Workers' Compensation Act including but not limited to payments to its employees for injury or disability, and to the dependents of its employees for the death of said employees.

FURTHERMORE, it is understood and agreed upon that:

1. The Parent will unconditionally guarantee the prompt payment of all obligations and liabilities incurred by the Self-Insurer under the Workers' Compensation Act. This parental guaranty shall cover and extend to all past, present and potential liability of the Self-Insurer.
2. This parental guaranty shall be continuous in form and shall remain in full force and effect until canceled by the Commissioner pursuant to North Carolina law. Upon cancellation, the Parent shall remain liable under the provisions of this parental guaranty for all obligations and liabilities of the Self-Insurer under the Workers' Compensation Act that occur prior to the effective date of cancellation. The Parent may be released from its liability if the Self-Insurer provides a replacement parental guaranty acceptable to the Commissioner. Under such condition, the Commissioner will notify the Parent in writing of its release from liability under this parental guaranty.
3. Within ten (10) days of a change in the legal entity, ownership or name of the Parent or Self-Insurer, the Parent or Self-Insurer shall notify in writing the Commissioner of such change by registered or certified mail. A change in the proprietorship or the sale of the Parent or Self-Insurer does not terminate this agreement.
4. The Parent may cancel this parental guaranty by giving the Commissioner sixty (60) days' written notice by registered or certified mail. The Parent shall remain liable for the Self-Insurer's workers' compensation obligations and liabilities in fully discharging any liability on its part accruing during the life of this obligation.

5. Upon the revocation of the Self-Insurer's License to Self-Insure, all past, present, existing and potential obligations and liabilities of the Self-Insurer incurred as a self-insurer shall remain in effect; and the Self-Insurer and Parent will be notified in writing, by the Commissioner, of the revocation of the Self-Insurer's License to Self-Insure.

6. This parental guaranty shall be governed by North Carolina law and any suits or actions concerning the validity, terms or enforceability may be brought only and exclusively in either the Superior Court of Wake County, North Carolina, or in the Federal District Court for the Eastern District of North Carolina, Raleigh Division.

Subscribed and sealed this the _____ day of _____, _____.

Attest (if a corporation)

Signature of Officer

Signature of owner, partner or
designated corporate official as
affiant

Name and Title of Officer (Typed or Printed)

Name (Typed or Printed)

Title / Position with Parent

PLACE CORPORATE SEAL HERE.

Sworn and Subscribed before me by above affiant this date shown above:

Signature of Notary Public

Name of Notary Public (Typed or Printed)

My Commission Expires: _____