**SURETY BOND**

**KNOW ALL MEN BY THESE PRESENTS THAT WE,**

 **a** **corporation with its principal place of business in the City of** **,State of** **, as Principal, and** **, a** **corporation authorized to do business in New Mexico, as Surety, are held and firmly bound unto the Director of the New Mexico Workers' Compensation Administration as agent, for the cause and benefit of all employees of members of the Principal and persons who may be entitled to any and all benefits and expenses payable by the Principal under the Workers' Compensation and Occupational Disease Disablement Acts and the Group Self-Insurance Act of the State of New Mexico in the sum of ($****), lawful money of the United States, for the payment of which sum we bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.**

**THE CONDITION OF THE FOREGOING OBLIGATION IS SUCH that if the Principal is granted permission to act as a self-insured group pursuant to the Group Self-Insurance Act [§52-6-1 through 52-6-25 NMSA 1978], and fails to make timely payments of all benefits and expenses as provided by the New Mexico Workers' Compensation and Occupational Disease Disablement Acts, or it becomes insolvent, or files for bankruptcy, or fails to maintain standards of financial condition, required of self-insured groups, as determined by the Director, the Surety shall be obligated to pay the entire amount of bond to the Director of the New Mexico Workers’ Compensation Administration, for benefit of the affected employees or the dependents of any deceased employee, for and on behalf of the Principal to the extent of Surety's obligation hereunder.**

**IT IS FURTHER UNDERSTOOD AND AGREED that the following conditions shall also apply to this surety bond:**

**1) The Surety does, by these presents, undertake and agree that the obligations of this bond shall cover and extend to all past, present, existing and potential liability of said Principal, as a self-insured group, to the extent of the penal sum herein named, without regard to specific injuries, date or dates of injuries, happenings or events.**

**2) This bond shall be continuous in form and shall remain in full force and effect unless terminated in the manner hereinafter provided.**

**3) If said Principal fails to make timely payment or becomes insolvent within the meaning of the Rules of the Workers’ Compensation Administration, files for bankruptcy petition, or a receiver or trustee is appointed for its business, or it fails to maintain standards of financial condition, required of self-insured groups, as determined by the Director, the undersigned Surety will pay the entire amount of the bond to the Director upon presentation of a written certification by the Director of the Principal's failure to make timely payment, of insolvency or bankruptcy or of failure to meet financial condition standards by the principal , or the appointment of a receiver or trustee for the Principal as determined by the Director of the Workers’ Compensation Administration, without regard to any proceedings for liquidation, bankruptcy, receivership or proceedings of any other type with respect to the Principal. The Director shall cause claims to be paid in as expeditious a manner as is reasonable and prudent. Any excess funds after all liabilities of the Principal have, at the sole discretion of the Director, been satisfied, shall be returned to the Surety.**

**4) The undersigned are held and firmly bound for the payment of all legal costs, including reasonable attorney fees, incurred in all or any actions or proceedings taken to enforce payment of this bond, and for payment of any award or judgment rendered against the undersigned Surety, on account of the execution**

 **by it of this bond. Said legal costs shall not exceed twenty (20%) percent of the face amount of the bond.**

**Provided, the Surety herein, by and in the execution of this bond, does hereby recognize that said bond is a direct financial guarantee to and for the benefit of all unknown and unnamed employees of members of the Principal (herein referred to as “employees”) in connection with the New Mexico Workers' Compensation and Occupational Disease Disablement Acts only.**

THIS BOND may be terminated as of and on a specified date by the surety by and in written notice of termination delivered to the Director of the Workers' Compensation Administration, and given by certified mail to the Principal. Such termination shall not be effective, however, unless the specified date thereof occurs at least 30 days after the date of such filing and mailing and not earlier. The liability of the Surety shall nevertheless continue as to any and all obligations of the Principal as a self-insured group under the Workers' Compensation Act arising out of compensable accidents occurring prior to the effective date of termination, subject, however, to termination of all liability of the surety under this Bond, upon the Director's acceptance of any acceptable replacement bond or security from or on behalf of the Principal. Receipt by the Director of any bond or security intended to supplement existing bonds or security shall not relieve the surety of its obligations under this bond. The Director shall notify the Surety as to the date upon which the replacement bond or security becomes subject to the claims of entitled employees or those claiming through such employees. Such new bond or security shall embrace and be subject to the entire liability of this and any previous Bond except as to liability already paid or discharged, and the replacement bond or security posted by the self-insurer shall be liable for all compensable claims presented against the self-insured group thereafter, without right of contribution from any prior surety. In no event shall the Surety refuse to honor a legitimate and accurate claim against its Bond solely because of misrepresentations made to the Surety by a previous surety and/or by the Principal to induce the Surety to issue its Bond.

We hereby agree with the Beneficiary that claims so drawn under and in compliance with the terms of this Bond will be duly honored within ten (10) working days if drawn and Presented For Payment Pursuant to the following instruction:

 Name of Surety:

 Address:

 ATTN:

 **PROVIDED FURTHER, THIS BOND SHALL BE EFFECTIVE AS OF**

**, 20****.**

**Signed, sealed and delivered this** **day of** **, 20****.**

**FOR PRINCIPAL:**

 **SIGNATURE:**

 **PRINTED NAME:**

 **TITLE:**

**FOR SURETY:**

**SIGNATURE:**

**PRINTED NAME:**

**TITLE:**

**ATTEST:**

**CORPORATE SECRETARY OF SURETY**

**PRINTED NAME:**