# PARENTAL GUARANTEE

I, (name and title) of (name of parent company), a corporation organized and existing under the laws of the State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, certify that (name of subsidiary) is a subsidiary of (name of parent company) as of (date of establishment).

As guarantor, I certify that the following resolution, on behalf of the above named subsidiary or division, was duly adopted at a meeting of the Executive Committee of the Board of Directors of (name of parent company) held on this \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_ 200\_\_\_\_, which Committee is empowered to adopt resolutions on behalf of the Board of Directors; and that this resolution is now in full force and effect as a binding obligation upon (name of parent company):

Whereas, the established subsidiary(ies) and division(s) of (name of parent company) desire to qualify or maintain their present qualifications as a self-insurer under the provisions of the New Mexico Workers’ Compensation and/or Occupational Disease Disablement Law, as incorporated fully herein, or similar laws of New Mexico, (name of parent company) the parent corporation of the above named established subsidiary(ies) and division(s), desires and intends to guarantee the prompt discharge of any liabilities which have accrued up to the date of this signed agreement, or which accrue after commencement of this signed agreement, that are against them under and by virtue of the provisions of the New Mexico Workers’ Compensation and/or Occupational Disease Disablement Law or similar laws; and

Whereas (name of parent company), as guarantor, hereby accepts liability for the payment of any and all obligations arising under the New Mexico Workers’ Compensation and/or Occupational Disease Disablement Law or similar laws as they apply, contingent upon failure of the (name of subsidiary) to promptly and reasonably pay these obligations as they become due; and

Whereas, the established subsidiaries and divisions are wholly owned subsidiaries and divisions of (name of parent company) and it is in the interest of (name of parent company) to execute such guarantee; and

**NOW, THEREFORE, IT IS RESOLVED THAT** (name of parent company) hereby guarantees the prompt payment of any obligation that may accrue against established subsidiaries and divisions of (name of parent company), under and by virtue of the provisions of the New Mexico Workers’ Compensation and/or Occupational Disease Disablement Law or similar laws as they apply. This guarantee provides that, in the event the established subsidiary(ies) and division(s) fail to promptly discharge their liability thereunder, the New Mexico Workers’ Compensation Administration may maintain against (name of parent company) direct action on this agreement of guaranty. Service on established subsidiary(ies) and division(s) shall, for the purpose of the guarantee and no other purpose, be considered service on (name of parent company) in a proceeding before the New Mexico Workers’ Compensation Administration or the courts of the State of New Mexico under this agreement of guarantee.

(Name of parent company) as guarantor shall have the right to terminate this binding agreement at any time by written notice to the Director of the New Mexico Workers’ Compensation Administration, which is to become effective no sooner than sixty (60) days after the date of receipt of such notice.

Proper cancellation of this agreement shall not affect the guarantor’s duties with respect to any obligation referred to herein prior to the effective date of termination, as described herein;

**IN WITNESS WHEREOF**, I have signed here and applied the seal of (name of parent company) this \_\_\_\_\_day of\_\_\_\_\_\_\_\_\_\_\_\_\_, 200\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name and Title)

(Corporate Seal):

## ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

)ss.

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

The foregoing Agreement between the Workers' Compensation Administration and the Employer as a Self-Insurer was acknowledged before me this \_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 200\_\_\_ by

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

OFFICER of Parent Company or Principal (if not a corporation) (TITLE)

OF (NAME OF PARENT COMPANY) a (corporation), on behalf of said corporation.

MY COMMISSION EXPIRES:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NOTARY