



**ILLINOIS WORKERS' COMPENSATION COMMISSION
PARENT GUARANTY AGREEMENT IN CONNECTION WITH SELF-INSURANCE PRIVILEGE**

Guarantor Name: _____

Guarantor Address: _____

I. Guaranty: The Employer(s) named on Exhibit A attached hereto and on any Amendatory Schedule(s) supplementing this Agreement have applied for qualification or continued qualification as private self-insurer(s) under the laws of the State of Illinois known as the Workers' Compensation Act and the Workers' Occupational Diseases Act, both effective July 9, 1951, as amended, (hereinafter collectively called the "Acts"). In consideration of the qualification or continued qualification of the Employer(s) as private self-insurer(s) under the Acts, the Guarantor hereby absolutely and unconditionally guarantees and promises to pay (a) each Employer's obligations incurred under the Acts as the result of injuries or exposures occurring at any time before, after or on the date hereof while the Employer is a qualified private self-insurer under the Acts and (b) the related administrative and defense costs, including the costs specified in any Self-Administered Claims Endorsement executed by the Employer. This Agreement shall be a continuing guaranty and shall remain in full force and effect at all times notwithstanding any periodic applications by any Employer for continued qualification as a private self-insurer under the Acts and any amendment(s) to the Acts after the date hereof that may have the effect of increasing an Employer's obligations as a private self-insurer under the Acts.

II. Representations and Warranties: The Guarantor represents and warrants that (a) the execution and performance of this Agreement have been duly authorized, and (b) the Guarantor, directly or indirectly, owns, controls or holds, with the power to vote, more than fifty percent (50%) of the outstanding voting securities of each Employer *or* the Guarantor has the right to elect or appoint, directly or indirectly, a majority of the directors, trustees or other governing body of each Employer, or has the right to approve and disapprove, directly or indirectly, the persons appointed as a majority of the directors, trustees or other governing body of each Employer.

The Guarantor shall immediately notify the Illinois Workers' Compensation Commission ("Commission") and the Self-Insurers Advisory Board ("Board") created by the Workers' Compensation Act if the second of these representations and warranties ever becomes inaccurate.

III. Guarantor's Obligations upon Employer's Default: If any Employer fails to pay any of its obligations as a private self-insurer under the Acts, the Guarantor will, upon demand and without delay, pay each such unpaid amount as required by the applicable Act to or on behalf of the employee whose injury or disease resulted in that obligation or the representative or beneficiary of that employee (hereinafter collectively called the "Employee"). This Agreement is for the benefit of each such unknown and unnamed Employee. In addition, the Guarantor will promptly pay any unpaid related administrative and defense costs guaranteed hereunder and any amount required for the pre-funding of claims and of administrative and defense costs by any third-party administrator duly appointed by any Employer(s), the Commission or the Board.

Any Employee or the Chairman of the Commission ("Chairman") may maintain direct action on this Agreement to enforce the performance of the Guarantor's obligations hereunder. In any such action, the Employee or the Chairman may recover reasonable attorneys' fees incurred.

After the Chairman has made a demand upon the Guarantor, no Employee shall maintain a direct action on this Agreement, and the Guarantor shall not make any payment under the Agreement to any Employee.

IV. Guarantor's Waiver of Defenses and Subrogation Rights: In no event shall the Guarantor demand or require as a condition of performing its obligations hereunder that any Employee or the Chairman (a) obtain judgment or exercise any remedies against an Employer, (b) exhaust any rights with respect to any security that an Employer may have posted with the Commission, or (c) notify the Guarantor of any information concerning amendment(s) to the Acts after the date hereof or concerning any Employer that may be relevant to the obligations guaranteed hereunder. The Guarantor hereby agrees not to assert any subrogation rights that it may have as a result of any payments made hereunder against any security that any Employer has posted or may post with the Commission unless and until the Commission returns or releases said security. In addition, the Guarantor agrees to make the payments provided for in this Agreement without regard to whether any obligation under the Acts of any Employer has been discharged under federal bankruptcy laws or any similar laws.

V. Settlements and Defense of Claims: Except as provided below, the Guarantor shall not be liable for any settlements of claims against any Employer alleging liability under the Acts or for the related costs of defense, without the written agreement of the Guarantor or said Employer to such settlements. However, in the event that the Board determines that any Employer is an insolvent self-insurer, the Board is authorized to administer and defend all claims against said Employer under the Acts as a private self-insurer and pay said claims and the related administrative and defense costs on behalf of said Employer and the Guarantor without the consent of said Employer, the Employer's successor or the Guarantor.

VI. Termination of Guaranty: The Guarantor may terminate this Agreement at any time by delivering written notice of termination to the Chairman, with a copy directed to the Board. Such notice shall become effective no sooner than one hundred eighty (180) days after the date of its receipt by the Chairman, unless the Chairman shall give written consent to an earlier effective date. Notwithstanding the foregoing, termination of the Agreement shall not affect the Guarantor's obligations hereunder with respect to any injury or exposure occurring prior to the effective date of termination.

VII. Reaffirmation of the Guaranty: In his or her sole discretion, the Chairman may, from time to time, require the Guarantor to reaffirm its obligations under this Agreement by re-executing the form of this Agreement as it may subsequently be revised by the Commission. The Guarantor shall comply with the Chairman's demand for such a reaffirmation within fifteen (15) days of its receipt. Notwithstanding the foregoing, the Guarantor shall remain liable under the terms of this Agreement even in the absence of any such reaffirmation.

VIII. Choice of Venue; Consent to Jurisdiction; Waiver of Personal Service: Any action, suit or proceeding commenced by any person in connection with this Agreement shall be brought in a local or state court located in either Cook County or Sangamon County, Illinois. The Guarantor hereby consents to the jurisdiction of any such court in any action suit or proceeding commenced in connection with this agreement and waives any objection to venue in connection therewith. The Guarantor hereby waives personal service of process or papers to be served in connection with the foregoing and agrees that such service may be made by overnight courier or by registered or certified mail, return receipt requested. If mailed, such process or papers shall be deemed received five (5) business days thereafter.

The section headings in this Agreement are for reference only and shall not effect the meaning or interpretation of the Agreement.

In the event any provision of this Agreement is deemed to be in violation of law, such provision shall not be deemed to impair the validity of any other provision hereof.

SIGNED AND SEALED ON _____, which shall also be the date on which the Agreement shall be effective.

GUARANTOR CORPORATE SEAL

Signature of Guarantor's President/Vice-President/General Partner Date

Name and Title of President/ Vice-President/ General Partner

This Agreement is approved by the Illinois Workers' Compensation Commission.

Chairman Date



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**EXHIBIT A
LIST OF SELF-INSURED EMPLOYERS**

NAME

ADDRESS





ILLINOIS WORKERS' COMPENSATION COMMISSION
CORPORATE CERTIFICATE IN CONNECTION WITH GUARANTY OF SELF-INSURANCE OBLIGATIONS

Date:
Guarantor Name:
Guarantor Address:

The Illinois Workers' Compensation Commission ("Commission") granted the Employer(s) named on Exhibit A attached hereto permission to self-insure under the laws of the State of Illinois known as the Workers' Compensation Act and the Workers' Occupational Diseases Act, both effective July 9, 1951, as amended, (hereinafter collectively called the "Acts").

Now, therefore, the undersigned does hereby certify that:

- 1. The Guarantor is a corporation duly organized and validly existing under the laws of the State of
2. The undersigned is the duly elected and acting Secretary or Assistant Secretary of the Guarantor, and
Name of officer executing the Guaranty is the duly elected
and acting President or Vice-President of the Guarantor. Attached is a true and correct
copy of the corporate minutes evidencing the election of
Name of officer executing the Guaranty
as said President or Vice-President
3. Pursuant to the terms of the Guarantor's by-laws, charter or other organizational documents, the Guarantor and the above-named
President or Vice-President have full power and authority to enter into, execute and deliver the required Guaranty and any
Amendatory Schedule(s) of Additional Employers thereto (copies of which are attached hereto) to the Illinois Workers'
Compensation Commission, and the Guaranty, as amended by any Amendatory Schedule(s) of Additional Employers, constitutes
the valid and binding obligation of the Guarantor in accordance with its terms.
4. The Guarantor, directly or indirectly, owns, controls or holds, with the power to vote, more than fifty percent (50%) of the
outstanding voting securities of each Employer.

GUARANTOR CORPORATE SEAL

Signature of Secretary/Assistant Secretary Date
Name of Secretary/Assistant Secretary



