

State of California
Employment Development Department
Disability Insurance Branch, MIC 29VP
P.O. Box 826880
Sacramento, CA 94280-0001

In the Matter of the Application of

GUARANTEE BOND

For approval of Voluntary Plan under Part 2 of the
Unemployment Insurance Code.

Bond Number:
Effective Date:

KNOW ALL PERSONS BY THESE PRESENTS:

That _____ as Principal, and
_____ of _____

as surety, are held and firmly bound unto the people of the State of California, in the sum of
_____ Dollars (_____) for the payment of
which, well and truly to be made, the principal binds himself, heirs, executors, administrators, successors and assigns,
and the surety binds itself, its successors and assigns, jointly and severally by these presents:

WHEREAS, in accordance with Part 2 of the Unemployment Insurance Code, the principal has elected to operate a voluntary plan and has secured approval of such plan by the Director of the Employment Development Department, subject to the deposit of this Guarantee Bond with the Treasurer of the State of California, and has agreed to pay the benefits under that certain plan and to pay any assessments for liabilities under the voluntary plan as provided by Part 1, sections 1126 and 1176, and Part 2 of the Unemployment Insurance Code.

NOW, THEREFORE, the conditions of this obligation are such that if the said principal shall pay such obligations under that certain plan, and assessments, pursuant to the terms, provisions and limitations of said Code, then this obligation shall be null and void, otherwise to remain in full force and effect, subject, however, to the following express conditions:

1. The liability of the surety shall be that of the principal signatory hereto in the event the principal fails to pay his obligations under the said voluntary plan; provided, however, that the total aggregate liability of the surety shall not exceed the amount set forth above.
2. Except as provided in paragraph 4 below, this bond shall not terminate until the expiration of all benefit claims outstanding after the lapse of twelve complete calendar quarters following the effective date of termination of the voluntary plan or withdrawal of such plan, and thereafter for a period not to exceed 60 days following the date upon which an assessment for charges against the employer becomes final unless the Director terminates the bond prior thereto.
3. 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 voluntary plan, to the extent of the sum herein named, without regard to specific injuries, dates or dates of injuries, happenings or events.
4. This bond may be cancelled by the surety at any time after the initial period of one year for which approval of the voluntary plan was given, upon giving thirty (30) days' written notice, in advance to the Treasurer of the State of California, and the Director of the Employment Development Department, in which event the liability of the surety shall, at the expiration of said thirty (30) days from receipt of said notice by said State Treasurer and said Director, cease and determine, except as to such liability of the principal on account of any assessment arising from employment occurring during the life of this obligation.

5. Where the principal posts with the Director a replacement security deposit, in the form of surety bond, irrevocable letter of credit, cash, or any combination thereof, in the full amount as may be required by the Director to secure all voluntary plan liabilities, the surety is released from the obligations under this surety bond upon the date of acceptance by the Director of said replacement security deposit.

6. It is expressly understood and agreed that in the event said principal shall fail to pay any assessments which shall be rendered against it to the Director within thirty (30) days after such assessments become final, the said surety shall forthwith pay, to the extent of its liability under this bond, said assessments to the Director of the Employment Development Department.

7. If the said principal shall suspend payment or shall become insolvent, the undersigned surety will pay said assessments, to the extent of its liability under this bond, before the expiration of thirty (30) days after the same became final, without regard to any proceedings for liquidation of said principal.

8. 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 any assessments rendered against the undersigned surety, on account of the execution by it of this bond.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed and this instrument to be sealed by the respective parties thereunto duly authorized this _____ day of _____, _____

ATTEST:

PRINT NAME:

PRINCIPAL
(SEAL)

PRINCIPAL SIGNATURE:

ATTEST:

PRINT NAME:

SURETY
(SEAL)

SURETY SIGNATURE: