



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation

Self-Insurance Regulation • MS-60

7551 Metro Center Dr., Ste 100 • Austin, Texas 78744-1609

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PARENTAL GUARANTY

WHEREAS, _____ hereinafter called the Parent; is the parent organization of _____, hereinafter called the Subsidiary; and **WHEREAS** Subsidiary, is, or has made application to be a certified self-insurer pursuant to the Texas Workers' Compensation Act, hereinafter referred to as the Act.

NOW THEREFORE, it is understood and agreed that:

1. In consideration of the Texas Department of Insurance, Division of Workers' Compensation issuing a Certificate of Authority to Self-Insure to said Subsidiary, the Parent agrees to guarantee all of the obligations and liabilities of said Subsidiary as a certified self-insurer under the Texas Workers' Compensation Act.
2. This Agreement shall cover and extend to all obligations and liabilities of said Subsidiary as a certified self-insurer under the Act.
3. This Agreement shall not cover or extend to any workers' compensation obligations or liabilities of said Subsidiary, which are expressly insured by a carrier duly authorized to write Texas workers' compensation insurance.
4. This Agreement shall remain in full force and effect unless terminated in the manner hereinafter provided. No change in Texas law, in the Texas Workers' Compensation Act specifically, or in the rules, practices or organization of the Texas Department of Insurance, Division of Workers' Compensation shall relieve or restrict the Parent's obligations and liabilities hereby undertaken.
5. This Agreement may be terminated at any time by the Parent upon giving sixty (60) days written notice to Commissioner of the Division of Workers' Compensation. In the event of termination of this guaranty, it is expressly understood and agreed that the Undersigned shall continue to guarantee payment of all of the subsidiary's obligations and liabilities as a certified self-insurer while this Agreement is in force and prior to the effective date of the termination of this Agreement. For purposes of this guaranty, obligations and liabilities for compensation shall be deemed to arise when an injury or death, to which the Act may apply, occurs and not at any other time. To the extent that this guaranty is terminable, the liability of the Parent shall end at the expiration of sixty (60) days from receipt of said notice by Commissioner of the Division of Workers' Compensation.

6. The Parent guarantees payment of all of the Subsidiary's obligations and liabilities as a certified self-insurer that may accrue to the Subsidiary regardless of any disposition the Parent may make of the Subsidiary or of its assets. No change in the ownership of the Subsidiary, the Parent, or of their assets shall operate to terminate or restrict the guaranty.
7. The Parent shall pay the obligations and liabilities of Subsidiary upon receiving written notice from the Commissioner of the Division of Workers' Compensation that:
 - (a) The Subsidiary has failed to pay, when due, compensation as defined in Texas Labor Code, Section 401.011(11) of the Act; or
 - (b) The Division of Workers' Compensation has determined that the Subsidiary is impaired.
8. The Parent is held and firmly bound for the payment of all legal costs incurred by the State of Texas in any actions taken to enforce this Agreement including legal fees, administrative costs, and expert witness fees.
9. This Agreement shall be governed by and construed and enforced in accordance with the Laws of the State of Texas. Any action with respect to this Agreement shall be brought in Travis County, Texas. The Parent hereby consents to said court's personal jurisdiction in any action arising from this Agreement.
10. This Agreement shall be binding upon the Parent, its successors, and assigns.

Name of Parent Organization

Authorized Signature Date

Type Authorized Name and Title

(Affix Seal Above)

By: _____
Secretary of Parent Organization

Type Name and Title of Secretary