

# DRAFT SAMPLE BOND FORM

**SELF-INSURER'S SURETY BOND**

[Name of Surety]

**CONNECTICUT PAID FAMILY AND  
MEDICAL LEAVE INSURANCE AUTHORITY**

Bond No. \_\_\_\_\_

Effective Date: January 1, 2021

That \_\_\_\_\_, as Principal, and **[Name of Surety]**, a [State of domicile] corporation authorized to do business as a surety in the State of Connecticut, as Surety, are held and firmly bound unto the **State of Connecticut Paid Family and Medical Leave Insurance Authority**, as Obligee, in the penal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), for the payment of which sum well and truly to be made, we the Principal and Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, in accordance with Sections 31-49e through 31-49t of the Connecticut General Statutes, and any rules and policies issued thereunder, as amended (collectively, the "PFML Law"), the Principal, as a condition to securing approval of the Paid Family and Medical Leave Insurance Authority to meet its obligations under the PFML Law for the benefits required under the above-referenced statutes ("Covered Plan Obligations") through a private plan in the form of self-insurance, is required to file this Bond with the Obligee; and

WHEREAS, failure by the Principal to have an approved self-insurance plan in force on January 1, 2022, will cause the Principal to become responsible for all contributions owed to the Obligee pursuant to Section 31-49g of the Connecticut General Statutes, retroactive to January 1, 2021 (the "Contribution Obligations").

NOW THEREFORE, the conditions of this obligation are such that if the said Principal shall comply with its Covered Plan Obligations and its Contribution Obligations, then the obligations under this Bond shall be null and void; otherwise, to remain in full force and effect, subject, however, to the following express conditions:

1. The Surety's obligations under this Bond shall only arise upon a finding by the Obligee that the Principal has failed to comply with its Covered Plan Obligations or its Contribution Obligations (a "Default"). In the event of a Default, the Obligee may from time to time make written demand upon the Principal and Surety to pay to the Obligee such sum or sums, up to the penal sum of this Bond, as the Obligee may require to discharge the Principal's Covered Plan Obligations or Contribution Obligations. If such payment is made by the Surety, no part thereof shall be applied to obligations of the Principal other than those incurred during or with respect to the period that this Bond is in force and effect.
2. This Bond shall be deemed effective as of the effective date listed on this Bond and shall remain continuously in effect until cancelled, terminated, or released in accordance with paragraph 3 or paragraph 4 below. The penal sum of this Bond may be amended by rider to increase or decrease the penal sum to comply with the requirements under the PFML Law.
3. This Bond may be cancelled effective December 31<sup>st</sup> in any year upon advance written notice from the Surety to the Obligee and the Principal no less than forty-five (45) days before the effective date of the cancellation. This Bond shall automatically be deemed fully released upon the Principal's posting of a replacement bond (or other security acceptable to the Obligee) that assumes liability for the Covered Plan Obligations and

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Contribution Obligations of the Principal incurred during or with respect to the period that this Bond is in force and effect. Upon cancellation or termination of this Bond, and if no replacement security is posted, the Surety's obligations under this Bond shall thereafter be limited to obligations of the Principal incurred during or with respect to the period that this Bond was in force and effect. For the avoidance of doubt, it is agreed and understood that in the event this Bond is cancelled effective December 31, 2021 (or earlier terminates pursuant to paragraph 4 below), and is not replaced with other security acceptable to Oblige, the Surety under this Bond shall be liable for any Contribution Obligations that Principal fails to pay with respect to the period between January 1, 2021, and the effective date of cancellation or termination of this Bond.

4. Unless earlier cancelled or released as set forth in paragraph 3 above, this Bond shall automatically terminate upon rescission or termination of the Principal's self-insurance of its Covered Plan Obligations.
5. Regardless of the number of years this Bond is in force, this Bond shall not be cumulative from year to year. Under no circumstances shall the Surety's liability exceed the penal sum stated herein, unless amended by rider. In addition, this Bond does not provide coverage to any indirect loss or costs incurred by the Oblige including, but not limited to, legal fees, court costs, expert fees, or interest.
6. No right of action shall accrue on this Bond to or for the use of any person, entity, or corporation other than the Oblige and this Bond cannot be assigned to any other party without the written consent of the Surety.
7. Any notice made under this Bond shall be in writing to the Surety at the following address:  
  
[Name of Surety]  
Address  
Attn: Bond Claim
8. Any and all suits and claims brought by the Oblige under this Bond shall be brought within one year of the date of the Principal's Default or the effective cancellation/termination date under this Bond, whichever is earlier.

IN WITNESS WHEREOF, the undersigned Principal and Surety have set their hands and seals on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**Principal**

By: \_\_\_\_\_

**[Name of Surety]**

By: \_\_\_\_\_

, Attorney-in-fact

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