

Dated _____

**STATE of WEST VIRGINIA
INSURANCE COMMISSIONER OF WEST VIRGINIA
PEO LICENSING
900 PENNSYLVANIA AVENUE
CHARLESTON, WEST VIRGINIA 25302**

UNCONDITIONAL AND CONTINUING PARENTAL GUARANTY

PROFESSIONAL EMPLOYER ORGANIZATION LAWS OF WEST VIRGINIA

KNOW ALL PERSONS BY THESE PRESENTS:

THAT for and in consideration of the encouragement and inducement of the Insurance Commissioner of West Virginia (hereinafter "Insurance Commissioner") to permit licensure as a Professional Employer Organization to _____ (hereinafter "Principal"), a subsidiary of _____ (hereinafter "Guarantor"), the undersigned Guarantor absolutely and unconditionally guarantees the prompt and punctual payment, when due, by acceleration or otherwise, of each obligation direct or indirect, known or contingent, now existing or hereafter created or acquired, with respect to payments owed by the subsidiary under the Professional Employer Organization Act in W. Va. Code §33-46A-1 et seq and the rules promulgated thereunder, and any and all obligations and liabilities which may arise as a result of the subsidiary offering Professional Employer Organization (PEO) services in the State of West Virginia.

THAT _____
Employer and Address

_____, **as PRINCIPAL,**

whose address for service of process is _____
_____;

and, _____
Parent Company and Address

_____ a corporation organized under the laws of _____, **as GUARANTOR,**
whose address for service of process is _____
_____;

are held and firmly bound unto the Insurance Commissioner, as regulator for PEO's under West Virginia's PEO Act in W. Va. Code §33-46A-1 et seq and the rules promulgated thereunder, to secure any obligation or liability, known or contingent, that has occurred, accrued to or is incurred, by the principal, pursuant to the aforesaid law and rules and as a result of offering PEO services in the State of West Virginia, in the aggregate sum of the costs, charges and assessments of all of the obligations herein described, for which payment to be made well and truly on demand, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, in accordance with the provisions of the *West Virginia Code*, 1931, as amended, particularly, but not exclusively, Chapter 33, Article 46A, particularly, but not exclusively, Title 114, Series 85, thereof, as amended, the Principal has made application or has been licensed as a PEO, that is, to provide certain employment services to other employers in West Virginia under the aforesaid provisions of law and rules.

NOW, THEREFORE, the conditions of this guaranty and obligation are such that if the Principal shall pay all the obligations and liabilities arising as a result of being a licensed PEO and providing professional employee services in West Virginia, then this guaranty and obligation shall be null and void, otherwise to remain in full force and effect.

FURTHERMORE, it is understood and agreed that:

1. The Guarantor does, by these presents, undertake and agree that the obligation of this guaranty shall cover and extend to all past, present, existing, potential and future, known or contingent, liability of the Principal, as a PEO under the aforesaid law and rules, without regard to specific happenings or events.

2. This guaranty may be amended, by agreement between the parties hereto and after agreement thereto by the Insurance Commissioner, as to the identity of the Principal named herein. Such amendment must be by endorsement upon or rider to this guaranty, which is executed by the Guarantor and delivered to or filed with the Insurance Commissioner.

3. The aggregate liability of the Guarantor hereunder to the Insurance Commissioner upon the default of the Principal on all claims whatsoever shall not exceed the aggregate obligations of the Principal as a PEO; except that the Guarantor shall be liable, in addition to all other liability, and in amounts independent of and in addition to those obligations, for the payment of all legal and administrative costs, including reasonable attorney fees, incurred in any and all actions or proceedings taken, by the Guarantor or the Insurance Commissioner, or both, to enforce payment of this guaranty or payment of any award, judgment, assessment or penalty rendered against the Principal or the Guarantor; or to cause indemnification of the Guarantor by the Principal, or others, under this guaranty or other agreements relating to this guaranty, as well as interest accrued on any unpaid demand on this guaranty.

4. Upon default of the Principal to meet the conditions of the obligations of a PEO under the said law and rules, the Guarantor shall immediately upon demand of the Insurance Commissioner, and prior to Guarantor's demand for the institution of suit or other action or demand, if any, against the Principal, pay on its own account to the Insurance Commissioner, the sums due and demanded by the Insurance Commissioner to discharge any part or all of the entire known and contingent obligation of the Principal under said law and rules.

5. Default in meeting the conditions of the obligations of a PEO shall include, without limitation by reason of exclusion, events of failure at anytime for whatever reason to discharge and pay timely all or any part of the obligations of whatever character and nature of the Principal as a PEO, including, without limitation by reason of exclusion, an event such as a change in proprietorship of the Principal or the appointment of a receiver or trustee for the Principal or the commencement of voluntary bankruptcy by a Principal or the commencement and order of relief of involuntary bankruptcy against a Principal.

6. Upon default of the Principal, the Insurance Commissioner may make immediate demand or demands of the Guarantor for payment, to the extent in the entire aggregate amount of this guaranty, in its discretion, of either the present value of the entire known and contingent obligation of the Principal under the provisions of the aforesaid law and rules or, on a periodical basis, of any incurred and unpaid obligation of the defaulted Principal PEO covered by this guaranty. Guarantor shall have twenty (20) days after receipt by certified mail of any demand to pay the amount thereof without interest charge or accrual on the principal amount of the demand. Thereafter, any demand unpaid shall accrue, until paid, an interest charge at the rate set by statute in the *West Virginia Code*, or otherwise as may be provided by law.

7. This guaranty shall be continuous in form and shall remain in full force and effect until the date of revocation by the Insurance Commissioner or termination by the Principal of the Principal's PEO status. However, the liability of the Guarantor shall nevertheless continue as to any and all obligations and liabilities of the Principal as a PEO, under the aforesaid law and rules, occurring prior to the effective date of revocation or termination until the obligations owed by the Principal are satisfied and paid fully and the Guarantor is released, including the obligations to pay all past, present, existing, potential and future, known or contingent, liability incurred as a PEO, including liability resulting from obligations which are incurred but not yet reported, awarded or ordered, prior to the effective date of revocation or termination. The Principal and the Guarantor herein named shall be notified in writing by the Insurance Commissioner in the event of such revocation.

8. The liability of the Guarantor under this guaranty shall not terminate or be released upon the Insurance Commissioner's acceptance of any new bond or security from or in behalf of the Principal which is in

Dated _____

addition to this guaranty. The Guarantor under this guaranty shall continue to be obligated to the extent of its liability under this guaranty, although the Insurance Commissioner may resort to any such additional bond or security. It shall not be necessary for the Insurance Commissioner to resort to other security or to exhaust its remedies against the Principal or against any security or to resort to property held as security before calling upon the undersigned for payment of any obligations, the payment of which is herein guaranteed.

9. The Guarantor represents that, at the time of the execution of this agreement, nothing exists to impair the effectiveness of the obligation of the Guarantor to the Insurance Commissioner hereunder or the immediate taking effect of this agreement as the sole agreement between the Guarantor and the Insurance Commissioner with respect to the PEO status of the subsidiary Principal.

10. The Guarantor warrants that any financial statements which were submitted to the Insurance Commissioner by the Guarantor or anyone in the Guarantor's behalf are true and correct and have been prepared in conformity with generally accepted accounting principles and correctly reflect valid transactions and asset values and correctly reflect the financial condition of the Guarantor. The Guarantor warrants that there has been no material adverse change, which has not been disclosed to the Insurance Commissioner, in the Guarantor's financial condition from that shown on the financial statements which have been submitted as inducement to the Insurance Commissioner's acceptance of this agreement or the granting or continuation of the privilege of PEO status to the Principal.

11. Failure of the Guarantor to promptly pay obligations arising hereunder constitutes a breach of this agreement. All obligations arising hereunder, whether presently owing or prospective on the date of the breach, become due and owing as the date of the breach of this agreement.

12. All rights and remedies of the Insurance Commissioner are cumulative to the full extent permitted by law.

13. This parental guaranty is absolute, unconditional and continuing; and, shall not be affected by any act or thing whatsoever.

14. If any part or all of a provision of this guaranty shall be declared unenforceable or held invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other parts or provisions of this guaranty.

15. This guaranty is executed by the Guarantor and the Principal to comply with the laws of the State of West Virginia and each of them acknowledges that this guaranty is made subject to all provisions thereof and agree to be bound thereby.

16. Upon acceptance of this parental guaranty and confirmation of acceptance by the Insurance Commissioner, the Guarantor and the Principal agree that the effective date of this accepted instrument is the _____ day of _____, _____.

IN WITNESS WHEREOF, the Principal and Guarantor have each caused its corporate name to be hereunto signed and acknowledged and its corporate seal to be thereby affixed by its properly authorized officer or agent (refer to the following pages):

Dated _____

PRINT NAME OF PRINCIPAL

ATTEST: (Affix Seal Here)
(Or attach a certified extract of authority)

PRINT DBA NAME OF PRINCIPAL, if any

Signature of Corporate Secretary of Principal

By _____
Signature

Print Name Signed Above

Its _____
Title

PRINT NAME OF GUARANTOR

ATTEST: (Affix Seal Here)
(Or attach a certified extract of authority)

PRINT DBA NAME OF GUARANTOR, if any

Signature of Corporate Secretary of Guarantor

By _____
Signature

Print Name Signed Above

Its _____
Title

If this parental guaranty is executed under an unrevoked appointment of power of attorney, the same is certified by signature above as being unrevoked and valid on the date signed; and, the appointment of power of attorney instrument is attached hereto.

**ACCEPTED BY:
INSURANCE COMMISSIONER OF WEST VIRGINIA**

By: _____
Director, Workers' Compensation Unit

Date _____

Dated _____

ACKNOWLEDGEMENT FOR A CORPORATION:

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ (date), by _____ (name of officer), its _____ (title of officer), of _____ (name of corporation), a _____ (resident state) corporation, on behalf of the corporation.

(Seal)

Notary Public

ACKNOWLEDGEMENT FOR A CORPORATION:

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ (date), by _____ (name of officer), its _____ (title of officer), of _____ (name of corporation), a _____ (resident state) corporation, on behalf of the corporation.

(Seal)

Notary Public