



MEMORANDUM OF UNDERSTANDING

This is a memorandum of understanding between _____ and
Self-Insured Employer
the Department of Labor and Industries regarding the use of an annuity to secure the pension
obligation of _____,
Claimant's Name Claim and Folio Numbers

Whereas, _____ has been certified to self-insure its workers'
Employer's Name
compensation liabilities under the Industrial Insurance Act of the State of Washington; and,

Whereas, _____ has sustained an industrial injury or
Claimant's Name
incurred an occupational disease which has resulted in the creation of a pension obligation whose
current present value is \$ _____; and,

Whereas, the self-insurer wishes to secure this obligation by purchasing an annuity issued by

Insurance Company Name

THEREFORE:

The Self-Insurer and the Department agree as follows:

- a) The annuity will be purchased by the self-insurer with the Department being listed as the beneficiary. A copy of the annuity is to be provided to the Department.
- b) The Insurance Company must meet the provisions as specified in RCW 51.44.070 in order to have its annuity acceptable to the Department.
- c) In the event of a default by the annuity provider, the self-insured employer must re-secure the pension obligation with other acceptable means within forty five days of the default. The self-insured employer remains liable for reimbursing the Department for the quarterly reimbursement of benefits.
- d) The insurance company should make its payments to the Department by the 20th of the month following the end of a calendar quarter. The reimbursement should indicate the claimant's name, claim and folio numbers and the employer's name. A quarterly statement will be sent to the self-insured employer indicating the amount that would be due from the annuity provider.
- e) If the amount of monthly benefits change, the self-insured employer is liable for and must make up any deficiency or would receive a rebate of any excess of the quarterly reimbursements on an annual basis. Any adjustments would be determined in an annual review of the pension obligation.

- f) In the event of a default by both the self-insurer and the annuity provider, pension benefits would be sought from the main surety provider for the self-insurer.
- g) Legal proceedings initiated by any party with respect to this annuity shall be subject to the courts and laws of the State of Washington.

This agreement is effective _____ / _____ / _____ .

Date: _____ / _____ / _____ .

Self-Insurer's Authorized Signature

Department of Labor and Industries

Date: _____ / _____ / _____ .

Assistant Director of Self-Insurance