**IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**DATE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**BENEFICIARY:**

**DIRECTOR, NEW MEXICO WORKERS COMPENSATION ADMINISTRATION**

**2410 CENTRE SE**

**ALBUQUERQUE, NM 87106**

**WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR FOR THE ACCOUNT OF**

 Group Name, Address, City, State, and Zip

FOR AN AMOUNT NOT TO EXCEED THE AGGREGATE OF USD $ (US DOLLARS). AVAILABLE AGAINST YOUR DRAFT(S) DRAWN AT SIGHT ON US, PURPORTEDLY SIGNED BY THE DIRECTOR OF AN AUTHORIZED REPRESENTATIVE OF THE NEW MEXICO WORKERS’ COMPENSATION ADMINISTRATION, STATING THAT (THE SELF-INSURED) HAS FAILED TO:

A) REMAIN FINANCIALLY SOLVENT AS DEFINED BY WORKERS' COMPENSATION ADMINISTRATION RULES AND REGULATIONS; OR

B) PAY CLAIMS IN A TIMELY MANNER, AS PROVIDED BY WORKERS' COMPENSATION ADMINISTRATION REGULATIONS; OR

C) MAINTAIN IN GOOD STANDING A CERTIFICATE OF SELF-INSURANCE INCLUDING, BUT NOT LIMITED TO, MAINTENANCE OF ACTUARILLY SOUND RESERVES AND ASSESSMENTS TO MEMBERS, MAINTENANCE OF THE STATUTORILY REQUIRED MINIMUM NET ASSETS, MAINTENANCE OF A CURRENT LIST OF MEMBERS WITH THE WORKERS' COMPENSATION ADMINSTRATION, AND ADHERENCE TO ALL WORKERS' COMPENSATION ADMINISTRATION RULES AND REGULATIONS CONCERNING ELIGIBILITY FOR GROUP SELF-INSURANCE; OR

D) REPLACE ANY NON-RENEWED LETTER OF CREDIT 15 DAYS PRIOR TO ITS EXPIRATION DATE WITH AN ACCEPTABLE REPLACEMENT SECURITY

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT ANY CHANGES OR AMENDMENTS HERETO, OTHER THAN AMENDMENTS TO MATURITY DATE, SHALL HAVE THE PRIOR APPROVAL OF THE DIRECTOR OF THE NEW MEXICO WORKERS' COMPENSATION ADMINISTRATION.

THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO ANY SUCH DATE WE SHALL NOTIFY YOU IN WRITING, BY CERTIFIED MAIL AT THE ABOVE LISTED ADDRESS THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD.

 EACH DRAFT TO BE DRAWN MUST BE MARKED: “ DRAWN UNDER

 LETTER OF CREDIT NO. ”. NAME OF BANK

 WE HEREBY AGREE THAT YOUR DRAFTS SO DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT TO OUR BANKING OFFICE AT:

 NAME OF BANK \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 ADDRESS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 ATTENTION \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Page 2

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Letter of Credit #\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name of Bank

DEMANDS UNDER THIS LETTER OF CREDIT MAY ALSO BE MADE BY FACSIMILE PRESENTATION TO FAX #(\_\_\_)\_\_\_-\_\_\_\_\_, OR ANY OTHER FACSIMILE NUMBER WHICH WE MAY DESIGNATE BY PRIOR WRITTEN NOTICE TO YOU.

IF WE RECEIVE A DEMAND PRIOR TO \_\_\_:\_\_\_ A.M. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_TIME, WE WILL EFFECT PAYMENT ON THE SAME DAY TO AN ACCOUNT OF THE WORKERS’ COMPENSATION ADMINISTRATION SPECIFIED IN THE DEMAND. IF WE RECEIVE A DEMAND AFTER \_\_\_:\_\_\_ A.M.\_\_\_\_\_\_\_\_\_\_\_\_\_\_ TIME, WE WILL EFFECT PAYMENT ON THE NEXT BUSINESS DAY.

UNLESS OTHERWISE EXPRESSLY STATED, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600 (UPC 600).

ANYTHING TO THE CONTRARY IN ARTICLE 41 OF THE UNIFORM CUSTOMS AND PRACTICE NOTWITHSTANDING, THIS LETTER OF CREDIT IS INTENDED TO REMAIN IN FULL FORCE AND EFFECT UNTIL IT EXPIRES IN ACCORDANCE WITH ITS TERMS. NEITHER FAILURE TO DRAW UPON THIS LETTER OF CREDIT IN ACCORDANCE WITH ITS TERMS AND CONDITIONS NOR DELAY BY THE NEW MEXICO WORKERS’ COMPENSATION ADMINISTRATION IN ASSERTING THAT THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT HAVE BEEN SATISFIED SHALL CAUSE THIS LETTER OF CREDIT TO BE UNAVAILABLE FOR ANY DRAWING IN ACCORDANCE WITH ITS CONDITIONS HEREOF WITHIN ITS VALIDITY PERIOD.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS LETTER OF CREDIT PLEASE CALL (\_\_\_) \_\_\_-\_\_\_\_.