

TRUST OPERATIONAL AGREEMENT

That the bank agrees to set up a trust fund if the Division of Labor and Management so requests in the event the Irrevocable Letter of Credit is presented for collection to the Bank. When established, the trust fund shall be referred to as “The _____ Workers’ Compensation Liability Trust. The bank recognizes the trust fund will operate in the following manner:

1. The purpose of the trust fund is to pay the above named self-insured’s workers’ compensation liabilities under the South Dakota Workers’ Compensation Law. Such obligation will include the payment of temporary, permanent and medical compensation, death benefits, court costs, assessment, and any other liability assessments required or imposed on the employer/self-insurer by the South Dakota Workers’ Compensation Law.
2. If a trust fund is established, the trust administrator, subject to approval of the Division of Labor and Management, may contract with an adjusting company to adjust, investigate and defend claims made against the self-insured and the bank may pay the adjusting company reasonable compensation for its services.
3. The bank shall be entitled to reimbursement for its reasonable expenses incurred in the administration of the trust fund in accordance with the bank’s customary fee schedule in administering such trust.
4. The bank shall apply and distribute the monies in the trust fund upon receipt of and in accordance with the duly authorized and executed order of the Director of Division of Labor and Management, South Dakota Department of Labor and Regulation, hereinafter called Director.
5. The trust fund, if established, shall continue until the happening of either of the following events, at which time the trust fund shall terminate:
 - a. The trust estate is completely depleted of funds.
 - b. Upon the duly authorized and executed order of the Director by reason of the Director’s finding that the trust fund is no longer required for satisfaction of the employer’s liabilities under the South Dakota Workers’ Compensation Law. In this event, Payment will be made to the employer, its successor, trustees, receivers, or assigns upon the determination of Director that the trust fund or a portion thereof is no longer required for satisfaction of the employer’s workers’ compensation liability under the South Dakota Workers’ Compensation Law.
6. The bank, if the trust fund is established, shall keep accurate records and accounts of the administration of the trust fund and shall annually furnish to

Director, or at any time Director shall reasonably request, a full and complete statement of all receipts and disbursements of the trust fund.

7. That in the event a trust fund is established, the bank and the Division of Labor and Management can further augment the above guidelines with more specific guidelines as to the actual operation of the trust.

Name of Bank

Vice President and Trust

Date