

SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
DIVISION OF LABOR AND MANAGEMENT
123 W. Missouri Ave. Pierre, South Dakota 57501
Tel: 605.773.3681 Fax: 605.773.4211 dlr.sd.gov

IRREVOCABLE LETTER OF CREDIT

INSTRUCTIONS

1. The Irrevocable Letter of Credit is considered to be security for the purpose of paying worker's compensation claims.
2. The format of the Irrevocable Letter of Credit, prior to execution, cannot be altered without the permission of the Division of Labor and Management.
3. If the issuing bank is an out of state bank, it may be necessary to have a South Dakota bank listed as a confirming bank.
4. All Irrevocable Letters of Credit will be deposited with the South Dakota Department of Labor and Regulation, Division of Labor and Management.

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APPLICATION

Bank/Financial Institution: _____

Letter of Credit No. _____ Date: ____/____/____

Confirming Bank: _____

Applicant Name: _____

Amount: _____

Date and Place of Expiry: ____/____/____ _____

Beneficiary: SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
123 W. Missouri Ave., Pierre, SD 57501

We hereby establish our Irrevocable Letter of Credit in your favor for the account of _____ (*applicant name*) up to an aggregate amount of _____ available at your request subject to the terms of this Irrevocable Letter of Credit drawn on ____/____/____ and accompanied by _____ (*name of bank*).

The notarized signed Order by the Director of the Division of Labor and Management stating that the purpose of any amounts drawn hereunder is for the purposes of securing payment of compensation, costs and assessments incurred by _____ (*self-Insured employer*) under the provisions of the South Dakota Workers' Compensation Law.

1. Each Order by the Director of the Division of Labor and Management presented under this Irrevocable Letter of Credit must state the amount, and that it is drawn upon Irrevocable Letter of Credit Number _____ of the _____ (*name of bank*) issued on ____/____/____ with an expiration date of ____/____/____. The amount and date of each draft shall be endorsed on this Irrevocable Letter of Credit. Partial drawings are permitted.

2. When the bank receives a notarized signed Order by the Director of the Division of Labor and Management under this Irrevocable Letter of Credit specifying the amount to be drawn, the above named bank will deposit these amounts into a trust fund to be established by the bank where this Irrevocable Letter of Credit is issued.
3. This Irrevocable Letter of Credit is considered by us as automatically extended for a period of one (1) year each from the then relevant expiry date, unless at least sixty (60) days prior to the relevant expiry date we notify you by registered mail that we elect not to extend this Irrevocable Letter of Credit for any additional period.
4. We hereby agree with the Division of Labor and Management that the amounts requested under this Irrevocable Letter of Credit will be honored when such request is made in compliance with the terms set out in this Irrevocable Letter of Credit.
5. This credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce Publication 400, (1983 Revised) or any subsequent revision.

Very truly yours,

(Authorized Signature)