

# IRREVOCABLE LETTER OF CREDIT – STATE OF KANSAS

K-WC 130 (Rev. 2-14)

## Instructions:

1. The Letter of Credit is considered to be security for the purpose of paying workers compensation claims.
2. The format of the Form K-WC 130, *Irrevocable Letter of Credit*, **cannot be altered without permission of the Division of Workers Compensation.** Other letter of credit forms can be used **only with the permission of the Division of Workers Compensation.**
3. It will be the responsibility of the bank issuing the Letter of Credit to provide the Division of Workers Compensation at the time of the initial issuance of the Letter of Credit, and prior to the annual relevant expiry day or renewal date, any relevant financial information about the bank as reasonably requested by the Division of Workers Compensation including a completed Bank Fact Sheet with a copy of the Bank's latest financial report which must be submitted for review and approval prior to issuance of a Letter of Credit. (If the bank has a parent bank, then the financials and Bank Fact Sheet data must be from the parent bank.) The Division of Workers Compensation has the right to reject the issuer for any Letter of Credit.

## Irrevocable Letter of Credit

Issuer Bank: \_\_\_\_\_

Letter of Credit No.: \_\_\_\_\_ Date: \_\_\_\_\_

Self-insured Applicant: \_\_\_\_\_

Amount: \_\_\_\_\_

Beneficiary: Kansas Department of Labor  
Division of Workers Compensation  
401 SW Topeka Blvd., Suite 2  
Topeka, KS 66603-3105

Date and place of expiry: \_\_\_\_\_

Issuer Bank hereby establishes our irrevocable Letter of Credit in favor of Beneficiary for the account of Self-insured Applicant up to an aggregate amount of United States Dollars (USD)

\$ \_\_\_\_\_

available for payment at our counters at \_\_\_\_\_

\_\_\_\_\_ against presentation of your draft drawn at sight on Issuer Bank.

Drafts drawn under this Letter of Credit must be marked: "Drawn under Letter of Credit No. \_\_\_\_\_," and the draft must be a notarized sight draft signed by the Director of the Kansas Department of Labor Division of Workers Compensation.

This Letter of Credit expires at our office with our close of business at 5:00 p.m. \_\_\_\_\_ time on \_\_\_\_\_. It is a condition of this Letter of Credit that it will automatically be extended without amendment, for additional periods of one (1) year from the present or any future expiration date, unless we notify you in writing by certified mail, or overnight courier, sent to you at the Beneficiary's above address at least sixty (60) days prior to the then current expiry date, notifying you that we elect not to extend this Letter of Credit for an additional period of one (1) year.

This original Letter of Credit and all amendments, if any, must be submitted to us for any drawing hereunder and/or for cancellation.

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We hereby agree that draft(s) drawn under and presented in compliance with the terms and conditions of this Letter of Credit will be duly honored if presented to us at our office on or before the expiry date or any automatically extended expiry date.

When the bank receives the presentation of a draft drawn on sight on issuer bank by the Director of the Kansas Department of Labor Division of Workers Compensation specifying the amount to be drawn, the above named bank will deposit these amounts into a trust fund specified by the Director of the Kansas Department of Labor Division of Workers Compensation.

This Letter of Credit is subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590.

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*Name of Issuer Bank*

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*Authorized Signature*

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*Print Name and Title*