

CAPTIVE INSURANCE COMPANY  
IRREVOCABLE LETTER OF CREDIT  
(BLANK STATIONARY)

LETTER OF CREDIT NO. \_\_\_\_\_  
DATE: \_\_\_\_\_

COMMISSIONER OF INSURANCE  
STATE OF DELAWARE

1. We hereby establish our IRREVOCABLE LETTER OF CREDIT in your favor for the account of \_\_\_\_\_ up to the aggregate amount of \$ \_\_\_\_\_ available by your draft(s) drawn on us, at sight, bearing the number of this IRREVOCABLE LETTER OF CREDIT shall expire at our Letter of Credit Department, \_\_\_\_\_ Delaware, at our close of business on \_\_\_\_\_, unless as hereinafter extended.
2. The LETTER OF CREDIT is issued pursuant to the provisions of 18 Delaware Code, Sections 6904 and 6905 and on behalf of the above mentioned \_\_\_\_\_ which is applying for a Certificate of Authority to engage in the insurance business in the State of Delaware as a captive insurance company.
3. It is a condition of the LETTER OF CREDIT that shall be automatically extended for additional periods, each of one year, unless at least ninety (90) calendar days prior to the then relevant expiration date we have advised you in writing that we elect not to extend. In the event, you may draw hereunder on or prior to the then relevant expiration date, up to the full amount then available thereunder, against your sight draft(s) on us, bearing the number of this LETTER OF CREDIT.
4. It is a further condition of this LETTER OF CREDIT that each automatic extension shall be measured from the then relevant expiration date, even though such date be not a business day in Dover, Delaware, for it is Bank. It is also a condition of this LETTER OF CREDIT that, for the purpose of a drawing hereunder, if the then relevant expiration date is a non-business day for our Bank, drawing may be made not later than our next immediately following business day.
5. This LETTER OF CREDIT sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any note, document, instrument, or agreement referred to herein or in which this LETTER OF CREDIT is referred to or to which this LETTER OF CREDIT relates and any such reference shall not be deemed to incorporate herein by reference any note, document, instrument or agreement.
6. Each sight draft so drawn and presented shall be promptly honored by us if presented on or prior to the above stated expiration date or any extension thereof as above provided.

Sincerely,

\_\_\_\_\_  
NAME

\_\_\_\_\_  
TITLE