

**STATE OF NEVADA
CAPTIVE INSURANCE COMPANY
IRREVOCABLE LETTER OF CREDIT
UNIMPAIRED PAID-IN CAPITAL AND/OR UNENCUMBERED SURPLUS**

Letter of Credit No. (00001)
Date

ABC Bank
Address
City, State

Commissioner of Insurance
State of Nevada
Department of Business & Industry
Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, NV 89706

Commissioner:

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 drafts(s) drawn on us, at sight, bearing the number of this IRREVOCABLE LETTER OF CREDIT No.(00001). This LETTER OF CREDIT shall expire at our Letter of Credit Department, _____, at our close of business on _____ unless hereinafter extended.
2. This LETTER OF CREDIT is issued pursuant to the provisions of Chapter 694C of the Nevada Revised Statutes, and on behalf of the above mentioned _____ (name of captive) which is applying for a certificate of authority to engage in the insurance business in the State of Nevada as a captive insurance company. This Credit sets forth in full the terms of our undertaking, and such undertaking shall not in anyway be modified, amended or amplified by reference to any note, document, instrument or agreement referred to herein or in which this Credit is referred to or to which the Credit relates, and any such reference shall not be deemed to be incorporated herein by reference. The obligation of _____ (name of bank) under this credit is not subject to any condition or qualification, and is no way contingent upon reimbursement with respect thereto or upon _____'s (name of bank) ability to perfect any lien, security interest or any other reimbursement.
3. It is a condition of the LETTER OF CREDIT that it 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 and _____(name of captive) in writing, by certified mail, that we elect not to extend. In that event, you may draw hereunder on or prior to the then relevant expiration date, up to the full amount then available hereunder, against you sight draft(s) on us, bearing the number of this LETTER OF CREDIT.
4. It is a further condition of the LETTER OF CREDIT that each automatic extension shall be measured from the then relevant expiration date, even though such date is not a business day in Carson City, Nevada for this Bank. It is also a condition of the LETTER OF CREDIT that, for the purpose of drawing hereunder, if the then relevant expiration date is a nonbusiness day for our Bank, drawing may be made no later than our next immediate following business day.
5. This LETTER OF CREDIT sets forth in full the terms of our understanding, and such understanding shall not in any way be modified, amended or amplified by reference to any note, document, instrument, statute, regulation 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, statue, regulation, 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. Presentation under this LETTER OF CREDIT must be made at _____ located at _____ during normal banking hours.
7. Unless otherwise expressly stated, this credit is subject to the Uniform Customs and Practices for Commercial Documentary credits fixed by the International Chamber of Commerce, ICC Publications No. 600 (2007 Rev.). Notwithstanding Article 36 of said publication, in the event that one or more of the occurrences specified in Article 36 of said Publication occurs, then the bank hereby specifically agrees that this letter of credit shall be extended so as not to expire during such interruption of business and shall extend for ten days after such resumption of business.
8. For banks not chartered in the State of Nevada: We hereby acknowledge that _____(name of bank) is a member of the United State Federal Reserve System, member no. _____.

Dated _____.

(Printed name of Authorized Person)

(Signature of Authorized Person)

State of _____)
) SS.
County of _____)

This instrument was acknowledged before me on _____(date) by _____ as an Authorized Person for _____.

Notary Public
Seal: