

**Irrevocable Standby Letter of Credit No.** \_\_\_\_\_

**Date of Issue:** \_\_\_\_\_

**Date of Expiry:** \_\_\_\_\_

**Issuer:**

<<Enter Name>>

<<Enter Street Address>>

<<Enter City, State ZIP>>

**Beneficiary:**

Commissioner of Insurance  
State of Alabama  
201 Monroe Street, Suite 502  
Montgomery, AL 36130

1. We, <<Enter Name of issuer>> (“Issuer”) hereby establish our irrevocable standby Letter of Credit number <<Enter Number>> (“Letter of Credit”) in favor of the above-named Beneficiary for the account of <<Enter Name of Applicant>> (“Applicant”) up to the aggregate amount of <<Enter Amount>> United States Dollars (U.S. \$<<Enter Numerical Value>>) available by Beneficiary’s draft(s) drawn on Issuer, at sight or by other means, bearing the number of this Letter of Credit. This Letter of Credit shall expire at Issuer’s above-stated counters (or such other office specified by notice delivered to Beneficiary) at Issuer’s close of business 1 year from date of issuance specified above unless extended as herein provided.
2. This Letter of Credit is issued on behalf of the above-mentioned Applicant which is applying for a Certificate of Authority to engage in the insurance business of the State of Alabama as captive insurance company pursuant to the provisions of ALA. Code §27-31B-1 et. Seq. Unless expressly stated herein, this undertaking is not subject to any agreement, requirement, or qualification. The obligation under this Letter of Credit is the individual obligation of Issuer and is in no way contingent upon reimbursement by the Applicant on whose behalf it was acquired, or upon Issuer’s ability to perfect any lien, security interest, or any other reimbursement with respect to said Applicant.
3. It is a condition of this Letter of Credit that it shall be automatically extended without amendment for additional periods of one (1) year, unless at least ninety (90) days prior to the then relevant expiration date set forth in Section 1, Issuer sends Beneficiary notice of non-extension to Beneficiary’s address as specified in this Letter of Credit or any subsequent address provided by Beneficiary. Any such notice shall be sent to Beneficiary by overnight courier and is effective that day. In the event Beneficiary receives such notice, Beneficiary may draw hereunder on or prior to the then relevant expiration date, up to the full amount available hereunder by submitting Beneficiary’s draft(s) drawn on Issuer at Issuer’s above-stated counters or by other means, bearing the number of this Letter of Credit.
4. It is a further condition of this Letter of Credit that each extension shall be measured from the then relevant expiration date, even if such date is not a business day in Montgomery, Alabama. If the expiration date for this Letter of Credit shall ever fall on a day which is not a Business Day, then such expiration date shall be considered to fall on the date which is the first succeeding Business Day. As used herein, the term “Business Day” shall mean any day of the year, other than a Saturday, Sunday, or a day on which banking institutions located in the State of <<Enter Issuers State of Domicile>> are authorized by law to remain closed.
5. This Letter of Credit sets forth in full the terms of undertaking and such undertaking 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, statute, regulation, or agreement.
6. Each draft so drawn and presented in compliance with the Letter of Credit shall be promptly honored by

Issuer if presented on or prior to the above stated expiration date or any extension thereof as provided herein. Presentation under this Letter of Credit must be made in person, by registered mail, by nationally recognized overnight courier, or by such other means agreed to by Issuer and Beneficiary by 3:00 P.M. <<Enter Issuer's Time Zone>> at Issuer's counters set forth in Section 1 on or before the then-current expiration date.

7. This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce publication No. 600 and any subsequent revisions thereto. 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 Issuer 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 (10) days after such resumption of business.

IN WITNESS WHEREOF THE said Issuer has caused its name to be subscribed hereto by its \_\_\_\_\_, a duly authorized officer of said institution, and hereby causes its corporate seal to be affixed hereto this \_\_\_\_ day of \_\_\_\_\_ in the year of \_\_\_\_\_.

<<Enter Name of Issuer>>

\_\_\_\_\_  
Authorized Signatory

Name:  
Title: