

STATE OF ALABAMA  
CAPTIVE INSURANCE COMPANY  
IRREVOCABLE EVERGREEN LETTER OF CREDIT

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Letter of Credit No. \_\_\_\_\_

Date: \_\_\_\_\_

Issuing Financial Institution:

(Name)  
(Street Address)  
(City, State ZIP)

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

1. We hereby establish our IRREVOCABLE EVERGREEN LETTER OF CREDIT in favor of the above named beneficiary 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 EVERGREEN LETTER OF CREDIT NO. \_\_\_\_\_. This LETTER OF CREDIT shall expire at our Letter of Credit Department , (Enter Address) at our close of business on \_\_\_\_\_ unless as herein provided.

2. This LETTER OF CREDIT is issued pursuant to the provisions of ALA. Code 27-31B-1 et Seq. and on behalf of the above mentioned \_\_\_\_\_ which is applying for a certificate to engage in the insurance business of the State of Alabama as captive insurance company. 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 the issuing financial institution and is in no way contingent upon reimbursement by the captive insurer on whose behalf it was acquired, or upon our ability to perfect any lien, security interest or any other reimbursement with respect to said insurer.

3. It is a condition of this LETTER OF CREDIT that it shall be automatically extended without amendment for additional periods of one (1) years, unless at least ninety (90) days prior to the then relevant expiration date set forth in Section 1, we send you notice of non-extension to your address as specified in this LETTER OF CREDIT. In the event you receive such notice, you may draw hereunder on or prior to the then relevant expiration date, up to the full amount available hereunder by submitting your draft(s) drawn on us, 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 though such date is not a business day in Montgomery, Alabama for this Bank. It is also a condition of this 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 not later than our next immediately following business day.

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 sight draft so drawn and presented in compliance with the LETTER OF CREDIT 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 Comerica Bank, located at 411 W. Layette, 5<sup>th</sup> Fl., Detroit , MI 48226 during normal banking hours.

7. This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce publication No. 600 and any subsequent revisions thereto. Notwithstanding Article 17 of said publication, in the event that one or more of the occurrences specified in Article 17 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.

IN WITNESS WHEREOF THE said financial institution 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 \_\_\_\_\_.

Signed \_\_\_\_\_

BY: \_\_\_\_\_

Title: \_\_\_\_\_