

BANK LETTERHEAD
(Including Telephone and Fax Numbers)

Letter of Credit No. _____
Date: _____

COMMISSIONER OF INSURANCE
STATE OF DELAWARE
Delaware Department of Insurance
820 N. French Street, 3rd Floor
Wilmington, DE 19801

1. We hereby establish our IRREVOCABLE LETTER OF CREDIT effective [Date] in your favor for the account of [...Captive....] or [...Parent on behalf of Captive....] up to the aggregate amount of [Written amount, (\$XXX.00)] 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, [...Mailing Address...], [State] [Zipcode], at our close of business on [..Date 1 year later..], 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 [Captive ...] 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 is not a business day in Wilmington, Delaware, for this 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 along with the original LETTER OF CREDIT and all amendments, if any, shall be promptly honored by us if presented on or prior to the above stated expiration date or any extension thereof as above provided.

SAMPLE LOC

7. This Letter of Credit is subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 ("ISP98"), in effect on the date this Letter of Credit is issued.

Sincerely,

BANK NAME

BY: _____ (Seal)
TITLE