

Irrevocable Letter of Credit

State of North Carolina – Irrevocable Letter of Credit Workers’ Compensation Self-Insurance

Irrevocable Letter of Credit No. _____

Issuance and beneficiary

To: North Carolina Commissioner of Insurance

We (hereinafter the “Bank”) hereby establish this Irrevocable Letter of Credit in your favor for drawings up to U.S. \$ _____ effective immediately.

This Letter of Credit is issued, presentable and payable at our office at _____, North Carolina (the “Bank Address”), and expires with our close of business on _____ (the “Expiration Date”).

Undertaking and payment obligation

We hereby undertake to promptly honor your sight draft(s) drawn on us indicating our Irrevocable Letter of Credit No. _____ for all or any part of this Credit, if presented at the Bank Address on or before the Expiration Date or any automatically extended Expiration Date.

Except as stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of the Bank under this Irrevocable Letter of Credit is the individual obligation of the Bank and is in no way contingent upon reimbursement with respect thereto.

Automatic extension and notice of non-renewal

It is a condition of this Irrevocable Letter of Credit that it is deemed to be automatically extended without amendment for one (1) year from the Expiration Date, or any future Expiration Date, unless at least ninety (90) days prior to any Expiration Date, we notify you by letter addressed to Senior Financial Analyst, SIWC, Financial Oversight & Special Entities Division, North Carolina Department of Insurance, 1203 Mail Service Center, Raleigh, North Carolina 27699-1203 (the “Commissioner’s Address”), or via electronic mail addressed to specialentitiessubmissions@ncdoi.gov

, that we elect not to consider this Irrevocable Letter of Credit extended for any such additional period.

Interruption of business

It is a further condition of this Irrevocable Letter of Credit that if this Irrevocable Letter of Credit expires during an interruption of the Bank’s conduct of business caused by an Act of God, riot, civil commotion, insurrection, war or other cause beyond the Bank’s control, or by any labor strike or lockout, the Expiration Date will automatically be extended by the period of the interruption(s).

Governing law and jurisdiction

This Irrevocable Letter of Credit is subject to and governed by the laws of the State of North Carolina and the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication 600), and, in the event of any conflict, the laws of the State of North Carolina will control.

If any legal proceedings are initiated with respect to payment of this Irrevocable Letter of Credit, it is agreed that such proceedings shall be subject to the courts and laws of the State of North Carolina.

In accordance with N.C.G.S. § 97-185(c)(4a) and (4b) the Bank shall reimburse the Commissioner, or his successor, assigns, or transferees for any costs incurred in the collection of the proceeds of this Letter of Credit, including reasonable attorney fees. The reimbursement of such fees shall be no greater than fifteen (15%) of the penal amount of this Letter of Credit and shall not come from the proceeds of the Letter of Credit but shall be in addition to the proceeds of the Letter of Credit.

Communications

Should you have occasion to communicate with us regarding this Irrevocable Letter of Credit, kindly direct your communication to the attention of Senior Financial Analyst, SIWC, Financial Oversight and Special Entities, North Carolina Department of Insurance making specific reference to our Irrevocable Letter of Credit No. _____.

Execution

_____ (“Bank”)

By: _____

Its: _____