STATE OF CONNECTICUT  
CAPTIVE INSURANCE COMPANY 
IRREVOCABLE LETTER OF CREDIT (TEMPLATE)

Letter of Credit No. (00001)  
A.B.C. Bank  
Date Address  
City, State

Commissioner of the Insurance Department  
State of Connecticut  
153 Main Street  
Hartford, CT 06103

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 
draft(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 as hereinafter 
extended.

2. This LETTER OF CREDIT is issued pursuant to the provisions of ______. Section ____ 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 Connecticut as a captive insurance 
company. We understand and agree that ___________________ (name of captive) has no obligation 
to reimburse us and we have no right of set off against any funds held by us for 
______________________ (name of captive) in the event this LETTER OF CREDIT is drawn down, in 
whole or in part. By issuing this LETTER OF CREDIT, we waive any common law, statutory or 
contractual right of reimbursement or set off against ___________________ (name of captive) that may 
arise in the event this LETTER OF CREDIT is drawn down, in whole or in part.

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 calendar days prior to the then relevant expiration date 
we have advised you 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 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 Hartford, 
Connecticut 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 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, 
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 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 undertaking is issued subject to the International Standby 

Very Truly Yours,  
Rev. 12.2012