

**ACIS 2016-7**

**QUOTA SHARE  
REINSURANCE CONTRACT No. [REDACTED]**

Effective December 5, 2016  
(this "Contract")

entered into by and between

[REDACTED]

(hereinafter referred to as the "Company")

and

The Subscribing Reinsurer(s)  
(hereinafter individually and collectively referred to as the "Reinsurer")

By means of their respective execution of the  
Interests and Liabilities Agreement(s)  
into which this Contract is Incorporated and Forms a Part

Collectively, the Company and the Reinsurer may be referred to as the "parties" and individually, each may be referred to as the "party." Certain capitalized terms appearing in but not defined in this Contract that are defined in the Policy (as defined below), the Assumption of Liability Endorsement (the "Endorsement"), or any applicable Trust Agreement (as defined below) shall have the meaning set forth therein.

**ARTICLE 1**

**BUSINESS COVERED & QUOTA SHARE CESSION; CONTRACTUAL FRAMEWORK**

- A. The Company will cede to the Reinsurer, and the Reinsurer will accept from the Company, a 100% quota share of all of the Company's interests and liabilities (the "Business Covered") that directly or indirectly, in whole or in part, arise out of or in connection with the credit insurance policy (policy number [REDACTED]), effective December 5, 2016, including any amendments, endorsements, or addenda thereto (hereinafter referred to as the "Policy"), issued by the Company to the Federal Home Loan Mortgage Corporation, McLean, Virginia (hereinafter referred to as the "Original Insured").
- B. A copy of the Policy is attached to, forms part of, and is incorporated into this Contract as Attachment 1.
- C. Each Reinsurer shall execute an Interests and Liabilities Agreement ("I&L

Agreement") evidencing its interests and liabilities under this Contract. Each Reinsurer shall also execute the Endorsement and the Trust Agreement in respect of its percentage shares hereunder. Each Endorsement and Trust Agreement is attached to each Reinsurer's I&L Agreement as Exhibits A and B, respectively. This Contract and its Attachment 1 shall form part of, and is hereby expressly incorporated into, each I&L Agreement for each Reinsurer as Exhibit C.

- D. Notwithstanding its incorporation into the I&L Agreement, the Endorsement is also directly incorporated into and forms a part of this Contract and the Policy by this reference.
- E. For the avoidance of doubt, upon a Reinsurer's signing of the I&L Agreement by a duly authorized officer of such Reinsurer, it shall be and is thereby bound to (i) this Contract (including the Policy and the Endorsement), and (ii) the I&L Agreement (including the Endorsement, this Contract and the Policy). Upon the Company's signing of this Contract and the I&L Agreement by a duly authorized officer of the Company, it shall be and is thereby bound to (a) this Contract (including the Policy and the Endorsement), and (b) the I&L Agreement (including the Endorsement, this Contract and the Policy). The parties shall become bound to the Trust Agreement by the signatures of their respective duly authorized officers thereon.

## **ARTICLE 2**

### **COMMENCEMENT AND TERMINATION**

- A. This Contract shall become effective at 12:01 a.m., Eastern Standard Time, December 5, 2016, and shall continue in force thereafter until the Policy is terminated or until this Contract is otherwise cancelled or terminated in accordance with the terms set forth herein.
- B. The liability of the Reinsurer shall follow that of the Company under the provisions of the Policy.

## **ARTICLE 3**

### **CONCURRENCY OF TERMS; FOLLOW THE FORTUNES**

- A. Without limiting the generality of Article 2 - COMMENCEMENT AND TERMINATION, the liability of each Reinsurer, including, but not limited to, each Reinsurer's obligation to pay its quota share percentage of any Covered Amounts and each Reinsurer's obligation to pay any late payment fee attributable to the applicable Reinsurer, will commence obligatorily and simultaneously with that of the Company under the Policy, and will be subject in all respects to the same rates, terms, clauses, conditions, interpretations, alterations, modifications, cancellations and waivers under the Policy. Each Reinsurer will indemnify the Company for its quota share of any liability incurred by the Company that directly or indirectly, in whole or in part, arises out of or in connection with the Policy, the true intent of this Contract being that the Reinsurer will, in every case, follow the settlements and

fortunes of the Company.

- B. For the avoidance of doubt, the Reinsurer's liability hereunder will be subject in all respects to the same terms, conditions, interpretations, compromises, waivers, modifications, alterations, cancellations and commutation settlements as contained in or effected with respect to the Policy.
- C. Notwithstanding any other term or condition of this Contract, should any regulatory or other legal restriction require modification of the Policy, the liability of each Reinsurer, including, but not limited to, each Reinsurer's obligation to pay its quota share percentage of any Covered Amounts and each Reinsurer's obligation to pay any late payment fee attributable to the applicable Reinsurer, will follow that of the Company under the Policy.
- D. Subject to Article 11(A)(2) – TRUST ACCOUNT with respect to the Trust Account, in the event of a conflict between any term, operating procedure (including, but not limited to, any timing requirement) or provision of this Contract and any term, operating procedure (including, but not limited to, such timing requirement) or provision of the Policy, the Policy shall prevail.
- E. The Company agrees to transmit all notices and information pertaining to the subject matter of this Contract to the Reinsurer as promptly as possible, but in no event later than three (3) Business Days after receipt thereof from the Original Insured; provided, however, that the Company shall transmit to the Reinsurer any Proof of Loss received by the Company from the Original Insured within one (1) Business Day following the Company's receipt of such Proof of Loss.

#### **ARTICLE 4**

##### **PARTIES TO THE CONTRACT; EXPRESS INTENDED THIRD-PARTY BENEFICIARY**

- A. This Contract, as incorporated into the I&L Agreement as set forth in Article 1 - BUSINESS COVERED & QUOTA SHARE CESSION; CONTRACTUAL FRAMEWORK, is solely between the Company and the Reinsurer. Performance of the obligations of each party under this Contract will be rendered solely to the other party. Except as otherwise provided in this Contract, in no instance will any other party have any rights under this Contract.
- B. The foregoing notwithstanding, the Original Insured is the only express intended third-party beneficiary of this Contract for purposes of enforcing its rights under this Contract pursuant to Article 11 - TRUST ACCOUNT, Article 12 - REPORTS & REMITTANCES; SUBORDINATION, Article 18 - NO CONFIDENTIALITY, Article 19 - INDEMNIFICATION, ERRORS AND OMISSIONS, Article 21 - ASSUMPTION OF LIABILITY, Article 22 - ALTERNATE PAYEE and Article 26 - ENTIRE AGREEMENT AND INTERPRETATION; AMENDMENTS paragraph D. Otherwise, no liability to any third party is created hereunder.
- C. The rights and obligations of the parties to this Contract will not be affected by the cancellation or termination of this Contract and all necessary transactions relating to

this Contract will continue in accordance with the terms and conditions stipulated herein until all obligations of each party to the other are fully concluded.

## **ARTICLE 5**

### **COVERED AMOUNTS**

Each Reinsurer shall be liable for its quota share percentage of the Company's liability that directly or indirectly, in whole or in part, arises out of or in connection with the Policy, including, but not limited to, the Business Covered and all Covered Amounts paid or payable by the Company under the Policy, and for any late payment fees paid or payable by the Company under the Policy that are attributable to the applicable Reinsurer. For the avoidance of doubt, no Reinsurer shall be liable for any other Reinsurer's quota share percentage of the Company's liability under the Policy or for any late payment fees attributable to another Reinsurer.

## **ARTICLE 6**

### **REPRESENTATIONS AND WARRANTIES OF THE REINSURER**

The Reinsurer hereby agrees, represents and warrants the following as of the effective date hereof:

- A. The Reinsurer is an insurance or reinsurance company duly organized, validly existing and in good standing under the laws of its domiciliary jurisdiction and has all requisite company power and authority to own and lease its properties and to carry on its business as conducted by it.
- B. The Reinsurer is licensed to conduct an insurance and reinsurance business and possesses the necessary licenses, Knowledge (as defined below) and authorizations to enter into and perform its obligations under this Contract.
- C. The Reinsurer has taken all corporate action required to authorize the execution and delivery of this Contract and the performance of its obligations hereunder.
- D. The Reinsurer has the corporate power and authority to execute and deliver, and perform its obligations under this Contract.
- E. If the Reinsurer appoints or establishes an agent (a "Contract Agent") to which any Reinsurer duty or obligation hereunder (including any as may relate to risk underwriting, premium or claims administration or processing) is outsourced and/or delegated pursuant to a managing general underwriter agreement, managing general agent agreement or other similar arrangement, then (i) the Contract Agent (a) is and shall remain licensed by Applicable Law and in good standing, (b) is duly authorized to fully bind the Reinsurer to assume risk ceded by the Company and/or manage any administrative matters, as applicable, as defined in the Reinsurance Documents, and (ii) any defenses from and against the execution and/or administration of the Reinsurance Documents by the Contract Agent on behalf of

the Reinsurer are waived to the fullest extent permitted by Applicable Law. Any act or omission by the Contract Agent (whether or not related to a duty or obligation outsourced or delegated to it by the Reinsurer) shall be deemed to be an act or omission of the Reinsurer, and the Reinsurer shall be liable to the Company for the Contract Agent's performance or failure to perform its and the Reinsurer's obligations hereunder. For the avoidance of doubt, (1) a term of the Reinsurance Documents shall control over any conflicting term of any agreement between the Reinsurer and any third-party, including, but not limited to, the Contract Agent, regarding the timing and payment of claims, (2) any dispute between the Reinsurer and any third-party, including, but not limited to, the Contract Agent, whether subject to arbitration, litigation, any other legal proceeding, or any alternative dispute resolution (including any related settlement) will not supersede or result in delays to the timing and payment of claims as set forth in Article V of the Policy, and (3) payments by the Reinsurer to and through the Contract Agent shall be deemed payment to the Company or the Original Insured only to the extent that such payments are actually received by the Original Insured or the Company.

- F. This Contract, when executed and delivered, will constitute a legal, valid and binding obligation of the Reinsurer, enforceable except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally and subject to the application of equitable principles and the availability of equitable remedies.
- G. The execution and delivery by the Reinsurer of this Contract and the performance by the Reinsurer hereunder do not and will not require the Reinsurer to possess, obtain, make, provide or deliver any consent, waiver, approval, license, permit, order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any Governmental Entity or other Person, other than (i) any of which have been unconditionally obtained or effected (as appropriate) and are in full force and effect or (ii) any of which the failure to possess, obtain, make, provide or deliver do not or will not, individually or together with any one or more such other failures, result in the Company or the Original Insured incurring any liability, or have a material adverse effect on (a) the ability of the Reinsurer to perform and comply with its respective obligations under this Contract or (b) the consummation of the transactions contemplated under this Contract.
- H. The Reinsurer is, and will use its best efforts to remain, in compliance at all times and in all material respects with all Applicable Laws, including, but not limited to, the insurance laws of its domiciliary jurisdiction.
- I. The Reinsurer meets all financial solvency and regulatory requirements of its domiciliary jurisdiction and has not received notice from any insurance regulatory body raising questions with respect to its financial condition or seeking restrictions on its licensing status.
- J. The Reinsurer is solvent, including by all applicable standards of its domicile.
- K. There are no pending or, to the Reinsurer's actual knowledge, after performing diligent inquiry ("Knowledge"), threatened actions, suits, investigations or

proceedings ("Proceedings") by or against it which are materially adverse (as determined under Applicable Law) to its business, at law or in equity or otherwise before any court, tribunal, agency, official, arbitrator or other Governmental Entity and the Reinsurer has not been the subject of any such Proceedings in the last two years.

- L. Without derogating from the generality of paragraph H above, none of the Reinsurer, any of its direct or indirect subsidiaries, any shareholder that holds ten percent (10%) or more of the outstanding capital of the Reinsurer (directly or, to the Knowledge of the Reinsurer, indirectly) ("Principal Shareholder"), any director or officer of the Reinsurer or any of its Principal Shareholders or any of their direct or indirect subsidiaries, or, to the Knowledge of the Reinsurer, any employee, agent, or affiliate of the Reinsurer or any of its Principal Shareholders or its direct or indirect subsidiaries is an individual or entity ("Person") that is, or is owned or controlled by a Person that is, (i) the target of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control or the U.S. Department of State (collectively, "Sanctions"), or (ii) located, organized, or resident in any country or territory that is, or whose government is, the target of Sanctions (currently, the Crimea Region of Ukraine, Cuba, Iran, North Korea, Sudan and Syria).
- M. The Reinsurer has such Knowledge and experience in financial, business and insurance matters that it is capable of evaluating the merits and risks of this reinsurance transaction. The Reinsurer has conducted its own independent review and analysis of the underwriting risk and acknowledges and agrees that the Company or the Original Insured has provided, and the Reinsurer has received, sufficient information for this purpose. In entering into this Contract, the Reinsurer further represents and warrants that it had such information as it deemed necessary and sufficient to enter into this Contract. In entering into this Contract, the Reinsurer is not relying on any representation as to any past or present fact or circumstance, or on any representation, prediction or estimation as to any future fact or circumstance, whatsoever made by or on behalf of the Company or the Original Insured, except for the representations and warranties made by the Original Insured in Article II of the Policy. Prior to the Reinsurer's execution and delivery of this Contract, the Reinsurer has (i) been given the opportunity to ask questions of, and receive answers from, the Company or the Original Insured concerning the terms and conditions of this Contract and the subject matter of this Contract and (ii) been given the opportunity to review all the information, as identified in this Contract, which represents all the information necessary to evaluate the risks and merits of entering into and performing this Contract. The Reinsurer has relied solely upon its own investigation and analysis, and the Reinsurer acknowledges and agrees that, except for representations or warranties of the Original Insured expressly contained in Article II of the Policy, (a) neither the Company nor the Original Insured makes any, or has made any, representation or warranty, either express or implied, with respect to this Contract or as to the accuracy or completeness of any of the information (including, but not limited to, projections, estimates or any other forward looking forecasts) provided or otherwise made available to the Reinsurer, and (b) to the fullest extent permitted by Applicable Law, the Company and the Original Insured shall have no liability whatsoever to Reinsurer on any basis based upon such information provided or

made available, or statements made or omissions therefrom in the underwriting process.

- N. The Reinsurer acknowledges and agrees that both the Company and the Original Insured are relying upon the representations and warranties of the Reinsurer set forth above.
- O. Without derogating from the generality of paragraph H above, the Reinsurer is compliant with the U.S. Foreign Account Tax Compliance Act.

## **ARTICLE 7**

### **EXCLUSIONS**

This Contract does not apply to and specifically excludes any loss or liability arising from any exposure not insured or otherwise not covered by the Policy.

## **ARTICLE 8**

### **SPECIAL TERMINATION**

- A. The Company, upon consultation with and approval of the Original Insured (which approval shall not be unreasonably withheld), may terminate a Reinsurer's quota share participation in this Contract on a cut-off basis, effective as of the Premium Payment Date of the month in which the cancellation notice is sent, at any time by giving written notice to the applicable Reinsurer and the Original Insured in the event of any of the following circumstances:
  - 1. An insurance regulatory authority of a state of the United States or any other Governmental Entity (other than the Federal Housing Finance Agency) orders such Reinsurer to cease writing business or has imposed upon it any other restrictions on or conditions relating to such Reinsurer's license or conduct of business in any jurisdiction, and such restriction or condition applies to the business covered under this Contract; or
  - 2. Such Reinsurer becomes insolvent or is placed into receivership or liquidation (whether voluntary or involuntary), or there are instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations; or
  - 3. Such Reinsurer announces intentions to cease all underwriting operations; or
  - 4. Such Reinsurer voluntarily ceases all underwriting operations; or
  - 5. Such Reinsurer reinsures all, or substantially all, of its liability under this Contract, other than to an affiliate of such Reinsurer as of the effective date of this Contract; provided, however, that any such affiliate is a duly licensed

insurance company that has authority to reinsure the Policy and has an official rating by [REDACTED]; or

6. Following any assignment, novation or transfer of such Reinsurer's rights and/or obligations under this Contract without the consent of the Company and the Original Insured, including any such assignment, novation or transfer imposed by any court or by any U.S. or non-U.S. statute, legislation, or jurisprudence; or
7. Such Reinsurer, directly or through the actions of a parent company or an affiliated entity, invokes any U.S. or non-U.S. statute, legislation, or jurisprudence which purports to enable such Reinsurer to require the Company to settle its liabilities, including any estimated or undetermined claims liabilities under this Contract, on an accelerated basis. This condition does not apply to any attempt to enforce a settlement of liabilities under a commutation process to which the parties have agreed; or
8. Such Reinsurer has hired an unaffiliated run-off claims manager for the Business Covered hereunder that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid; or
9. Such Reinsurer has breached any of the representations and warranties provided to the Company in Article 6 - REPRESENTATIONS AND WARRANTIES OF THE REINSURER or has breached any of its material obligations under this Contract (including, but not limited to, its obligation to remit payment hereunder in accordance with Article 12 - REPORTS & REMITTANCES; SUBORDINATION paragraph B and its obligation to provide adequate funding in accordance with Article 11 - TRUST ACCOUNT); or
10. Such Reinsurer, any of its Principal Shareholders or its direct or indirect subsidiaries, any director or officer of such Reinsurer or any of its Principal Shareholders or any of their direct or indirect subsidiaries, or any employee, agent, or affiliate of such Reinsurer or any of its Principal Shareholders or its direct or indirect subsidiaries is a Person that is, or is owned or controlled by a Person that is, (i) the target of any Sanctions, or (ii) located, organized, or resident in any country or territory that is, or whose government is, the target of Sanctions (currently, the Crimea Region of Ukraine, Cuba, Iran, North Korea, Sudan and Syria); or
11. Such Reinsurer experiences a Credit Rating Downgrade. A "Credit Rating Downgrade" means, as applicable:

a. [REDACTED]



[REDACTED]

b.

[REDACTED]

c.

[REDACTED]

[REDACTED]

B.

[REDACTED]

C. Remedies:

1. If one or more of the circumstances enumerated above occur with respect to any Reinsurer, then the Company may elect to terminate such Reinsurer's participation on a cut-off basis upon consultation with and approval of the Original Insured (which approval shall not be unreasonably withheld). The Company shall give written notice to such Reinsurer stating the grounds for any such termination and when the termination shall be effective; provided, however, that (i) in the event of a Credit Rating Downgrade, the Company

must provide prior written notice to the applicable Reinsurer of its intention to terminate within at least thirty (30) days following the later of (x) the date on which the Company receives notice of such Credit Rating Downgrade from such Reinsurer and (y) the date on which such Credit Rating Downgrade takes effect; and (ii) in the event that the Company intends to cancel a Reinsurer's participation in this Contract pursuant to Article 8 - SPECIAL TERMINATION subparagraph A(9) based upon a breach by such Reinsurer of any representations and warranties provided to the Company in this Contract or a breach by such Reinsurer of any of its material obligations under this Contract, (x) the Company shall notify such Reinsurer in writing, and (y) such Reinsurer shall have thirty (30) days following the date on which such Reinsurer receives such notice to cure such breach, and if such Reinsurer fails to cure such breach within such thirty (30) day period, then such Reinsurer's participation in this Contract shall terminate effective as of the end of such thirty (30) day period.

2. Should a Reinsurer experience a Credit Rating Downgrade, but only to the extent that it is based upon an official rating action by Standard & Poor's or A.M. Best Company, then upon consultation with and approval of the Original Insured (which approval shall not be unreasonably withheld), the Company shall have the option to require that such Reinsurer deposit additional Eligible Assets into the Trust Account, as set forth in the Trust Agreement. The deposit of such additional Eligible Assets at the request of the Company pursuant to this subparagraph C(2) shall be in lieu of terminating such Reinsurer's participation on a cut-off basis as per subparagraph C(1) above with respect to any termination triggers set forth in subparagraph A(11) above.
- D. In the event a Reinsurer's participation is terminated pursuant to this Article 8 - SPECIAL TERMINATION, any amounts held in trust with respect to such Reinsurer shall remain in trust until all losses, both known and Incurred But Not Reported (IBNR) as determined by the Company (upon consultation with and approval from the Original Insured) in order to comply with statutory reporting requirements at the effective date of termination, are finally settled. For the avoidance of doubt, pursuant to a cut-off termination, a Reinsurer shall receive Premium and will process any Claim filed for a Loss that is attributed to the Payment Date Statement associated with the Premium Payment Date in the month in which the Company submits a cancellation notice to such Reinsurer, and such Reinsurer shall have no additional or outstanding obligations to the Company following satisfaction of all Claims for Losses attributable to such Premium Payment Date.
- E. Termination of a Reinsurer's participation pursuant to this Article 8 - SPECIAL TERMINATION shall not affect the liability of any other Reinsurer hereunder.
- F. Article 8 - SPECIAL TERMINATION, paragraphs C and D shall survive the termination of this Contract.

## **ARTICLE 9**

### **CANCELLATION**

- A. This Contract shall cancel automatically upon cancellation of the Policy, including any cancellation of the Policy resulting from the Original Insured exercising the Early Redemption Option.
- B. No cancellation of this Contract by the Reinsurer is permitted, except for a cancellation due to non-payment by the Original Insured of the Policy premium.
- C. This Contract may be cancelled by the Reinsurer pursuant to paragraph B above by sending written notice to the Company and the Original Insured stating when, not less than thirty (30) days thereafter, the cancellation shall be effective. Confirmation by the relevant courier of delivery of such notice shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the date of cancellation hereunder, unless payment of the Policy premium is made to the Company prior to this specified date of cancellation, in which case this Contract shall continue in full force and effect.
- D. Cancellation of this Contract in accordance with any of the provisions of Article 8 - SPECIAL TERMINATION or Article 9 - CANCELLATION shall not prejudice any rights of or remedies available at law or in equity to the Company or the Reinsurer existing prior to the effective date of such cancellation, including, but not limited to, the Company's right to withhold Policy premium payment once it forms a reasonable belief that any Reinsurer representation or warranty has been breached.

#### **ARTICLE 10**

##### **PREMIUM**

- A. The Company will cede to the Reinsurer 100% of the gross premiums paid to the Company under the Policy.
- B. The premium due the Reinsurer shall be remitted by the Company as promptly as possible; provided, however, in no event later than two (2) Business Days after the Company receives premiums under the Policy.

#### **ARTICLE 11**

##### **TRUST ACCOUNT**

- A. Scope
  - 1. As security for the performance of its obligations under this Contract, each Reinsurer shall establish and fund, within thirty (30) days after the Effective Date, a trust account for the benefit of the Original Insured (each, a "Trust Account").
  - 2. Each Trust Account shall be subject in all respects to the Policy, this Contract and the I&L Agreement, as well as the trust agreement entered into by and

between the applicable Reinsurer, the trustee and the Original Insured as supplemented from time to time (each, along with the applicable supplement, a "Trust Agreement"). A copy of each Reinsurer's Trust Agreement is attached to such Reinsurer's I&L Agreement. In the event of a conflict between the four documents with respect to any Trust Account, the I&L Agreement and this Contract as incorporated into the I&L Agreement shall take priority over the related Trust Agreement, and the related Trust Agreement shall take priority over the Policy.

3. Only Eligible Assets shall be deposited into each Trust Account.
4. If the Original Insured does not receive payment from the Company or a Reinsurer for any amount payable to the Original Insured under the Policy when such payment becomes due under the terms of Article V of the Policy, then the Original Insured may withdraw the amount of such payment from the applicable Reinsurer's Trust Account.

B. Initial Assets

Within thirty (30) days after the Effective Date, each Reinsurer shall deposit or cause to be deposited into such Reinsurer's Trust Account Eligible Assets in an amount as determined under and pursuant to such Reinsurer's Trust Agreement.

C. Other Definitions

1. "Collateral Calculation Date" means the last Business Day of each calendar month, and which date is used to determine the Outstanding Collateral Amount and the Security Amount.
2. "Collateral Requirement" with respect to a Reinsurer means that certain percentage established in accordance with such Reinsurer's Trust Agreement and used to determine the amount of Eligible Assets such Reinsurer is required to deposit into such Reinsurer's Trust Account in order to collateralize such Reinsurer's claims payment obligations hereunder, which percentage is subject to change based on changes in certain financial strength ratings of such Reinsurer, all as established in accordance with such Reinsurer's Trust Agreement.
3. "Outstanding Collateral Amount" with respect to a Reinsurer means, as of the applicable Collateral Calculation Date, the aggregate fair market value of the Eligible Assets held in such Reinsurer's Trust Account with respect to this Contract.
4. "Security Amount" with respect to a Reinsurer means, as of the applicable Collateral Calculation Date, an amount equal to:
  - The product of the (i) percentage set forth in Section 1(A)(i) of the I&L Agreement, (ii) Insured Percentage for the Class M-1H Reference Tranche, (iii) applicable Collateral Requirement as of such date as set forth in Section 1 of the applicable trust supplement, and (iv) then-

remaining Class Notional Amount as of such date for the Class M-1H Reference Tranche; plus

- The product of the (i) percentage set forth in Section 1(A)(ii) of the I&L Agreement, (ii) Insured Percentage for the Class M-2H Reference Tranche, (iii) applicable Collateral Requirement as of such date as set forth in Section 1 of the applicable trust supplement, and (iv) then-remaining Class Notional Amount as of such date for the Class M-2H Reference Tranche; plus
- The product of the (i) percentage set forth in Section 1(A)(iii) of the I&L Agreement, (ii) Insured Percentage for the Class M-3H Reference Tranche, (iii) applicable Collateral Requirement as of such date as set forth in Section 1 of the applicable trust supplement, and (iv) then-remaining Class Notional Amount as of such date for the Class M-3H Reference Tranche; plus
- The product of the (i) percentage set forth in Section 1(A)(iv) of the I&L Agreement, (ii) Insured Percentage for the Class B-H Reference Tranche, (iii) applicable Collateral Requirement as of such date as set forth in Section 1 of the applicable trust supplement, and (iv) then-remaining Class Notional Amount as of such date for the Class B-H Reference Tranche.

Without limiting the generality of the preamble to this Contract, capitalized terms appearing but not defined in this Article 11 - TRUST ACCOUNT shall have the meanings ascribed to them in the Policy.

**D. Adjustments and Withdrawals**

1. Each Reinsurer agrees to maintain the Eligible Assets in such Reinsurer's Trust Account such that the Outstanding Collateral Amount with respect to such Reinsurer shall be equal to or greater than the Security Amount with respect to such Reinsurer as of each Collateral Calculation Date.
2. If the Security Amount with respect to any Reinsurer as of any Collateral Calculation Date exceeds the Outstanding Collateral Amount with respect to such Reinsurer as of such Collateral Calculation Date, then, subject to Section 1(e) of the Trust Agreement, such Reinsurer shall, within five (5) Business Days following such Reinsurer becoming aware of such difference, deposit additional Eligible Assets in such Reinsurer's Trust Account equal to the amount of such difference. If, however, the Outstanding Collateral Amount with respect to any Reinsurer as of any Collateral Calculation Date exceeds 102% of the Security Amount with respect to such Reinsurer as of such Collateral Calculation Date, then, subject to Section 1(e) of the Trust Agreement, within five (5) Business Days following the Reinsurer's request, and upon verification of such amount, the Original Insured shall allow the release to such Reinsurer of Assets from such Reinsurer's Trust Account with an aggregate fair market value no greater than such excess (with all Excess

Assets (as defined in such Reinsurer's Trust Agreement) to be released to such Reinsurer prior to release of any Eligible Assets to such Reinsurer). In furtherance of the foregoing, the Original Insured shall undertake all actions that shall reasonably be necessary to allow such release of Assets, including, but not limited to, delivery of any notices that might be required by the trustee of the applicable Trust Account; provided, however, that the Original Insured shall only be required to allow the release to such Reinsurer of Assets from such Reinsurer's Trust Account pursuant to this Article 11 - TRUST ACCOUNT subparagraph D(2) to the extent withdrawal by such Reinsurer is permitted under Section 7 of such Reinsurer's Trust Agreement.

3. Subject to Article 21 - ASSUMPTION OF LIABILITY and Article 22 - ALTERNATE PAYEE, the Original Insured shall have the right to withdraw from a Reinsurer's Trust Account, and each Reinsurer hereby agrees and permits the Original Insured to withdraw from its respective Trust Account, such Reinsurer's quota share of any and all amount(s) owed by the Company to the Original Insured under Article V(D) of the Policy, without diminution because of insolvency on the part of the Company or such Reinsurer, which amount(s) are not otherwise paid by such Reinsurer (whether directly to the Original Insured or through the Company) within five (5) Business Days following acceptance (including deemed acceptance) of the related Proof of Loss by the Company. In the event the amount withdrawn by the Original Insured from a Reinsurer's Trust Account is in excess of such Reinsurer's quota share of the actual amount finally determined to be due to the Original Insured under Article V(D) of the Policy, which determination must be made by a court of competent jurisdiction in the event of a dispute unless the Original Insured, the Company and such Reinsurer mutually agree otherwise, the Original Insured shall promptly return to the applicable Trust Account the excess amount so withdrawn, and any such excess withdrawn amount shall accrue interest at the rate specified in Article V(D) of the Policy.
4. Notwithstanding anything contained herein to the contrary, if at any time the Outstanding Collateral Amount with respect to any Reinsurer is equal to or less than an amount established pursuant to Section 3(b) of the applicable trust supplement, then the Original Insured shall allow the release to such Reinsurer of Assets from such Reinsurer's Trust Account in accordance with Section 3(b) of the applicable trust supplement and subject to the conditions set forth therein.

E. Special Termination Application

Should the Company elect to terminate a Reinsurer's participation on a cut-off basis pursuant to Article 8 - SPECIAL TERMINATION, subparagraph C(1), the Company (with the consent of the Original Insured, which will not be unreasonably withheld) will provide such Reinsurer and the Original Insured with a written statement of the Security Amount with respect to such Reinsurer as of the date of termination. If the Outstanding Collateral Amount with respect to such Reinsurer as of the termination date is less than the Company's written statement of the Security Amount with respect to such Reinsurer as of the effective date of termination, then, subject to Section 1(e) of such Reinsurer's Trust Agreement, such Reinsurer will, within five

(5) Business Days following receipt of such notice, top up such Reinsurer's Trust Account to an amount equal to the Security Amount with respect to such Reinsurer.

## **ARTICLE 12**

### **REPORTS & REMITTANCES; SUBORDINATION**

- A. The Company will provide to each Reinsurer a report no later than ten (10) days following the end of each calendar month. Said report will provide a summary of the following with respect to the applicable Reinsurer for the month just ended (and cumulative year to date): gross ceded premium, paid Covered Amounts and late payment fees, and will also separately identify if any such amounts were directly withdrawn by the Original Insured from such Reinsurer's Trust Account, and include copies of the monthly reports provided by the Global Agent as identified in the Policy.
- B. Should payment become due from the Reinsurer hereunder, the Company shall give the Reinsurer notice of its obligation to make such payment on a certain date, and the Reinsurer agrees to remit such payment to the Original Insured within five (5) Business Days following such notice, consistent with the payment terms of the Policy as applied to the Company.
- C. Any right of the Company to receive payments from the Reinsurer hereunder is expressly subordinated to the right of the Original Insured to receive payments directly from the Reinsurer and/or the Trust Accounts, as the case may be, pursuant to Article 21 - ASSUMPTION OF LIABILITY, Article 22 - ALTERNATE PAYEE, the Trust Agreements, the Policy and the Endorsement.

## **ARTICLE 13**

### **OFFSET**

As of any date, the Company and any Reinsurer shall have the right to offset any balance or amounts due from one party to the other under the terms of this Contract. The party asserting the right of offset may, with the concurrence of the other party, exercise such right any time, whether the balances due are on account of premiums, Covered Amounts or late payment fees.

## **ARTICLE 14**

### **TAXES**

Any tax (including penalties and interest) imposed by any taxing authority on the Reinsurer with respect to this Contract or on any payments made by the Company or by the Original Insured to the Reinsurer under this Contract (including any federal excise tax imposed under Section 4371 of the U.S. Internal Revenue Code) shall be borne solely, and the Original Insured and the Company shall be indemnified thereof and held

harmless therefrom, by the Reinsurer. Neither the Original Insured nor the Company is responsible for grossing up any payment subject to withholding.

## **ARTICLE 15**

### **FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")**

- A. On or before the effective date of this Contract, the Reinsurer shall provide to the Company the FATCA-required documentation (including a valid IRS Form W-8BEN-E or W-9 or such other documentation approved for use by the U.S. Internal Revenue Service as the case may be) that confirms that the Reinsurer is not subject to any withholding.
- B. In the event that a Reinsurer fails to provide the Company with such FATCA-required documentation in accordance with paragraph A above, the Company shall withhold 100% of the total reinsurance premium otherwise due such Reinsurer for a period of thirty (30) days, and shall notify the Reinsurer accordingly. If a Reinsurer fails to provide the Company with such FATCA-required documentation upon the expiration of the thirtieth (30<sup>th</sup>) day, then the Company shall withhold from such Reinsurer 30% of the reinsurance premium otherwise due such Reinsurer with respect to U.S. risks for payment to the U.S. Internal Revenue Service in accordance with FATCA. The remaining reinsurance premium otherwise due such Reinsurer shall be ceded to such Reinsurer.
- C. For purposes hereof, (i) interest shall not be assessed against the Company with respect to such premium if ceded after the premium due date hereunder as a result of a Reinsurer's failure to timely provide the Company with its FATCA-compliant documentation; and (ii) such amounts shall not be subject to offset under Article 13 - OFFSET.
- D. If interest is payable by the Original Insured to a Reinsurer pursuant to subparagraph D(3) of Article 11 - TRUST ACCOUNT, then this Article shall be applicable to all such payments made by the Original Insured, and such Reinsurer shall provide the forms set forth in paragraph A above to the Original Insured and otherwise comply with FATCA in accordance with its representations and warranties set forth herein.

## **ARTICLE 16**

### **CURRENCY**

Whenever the word "Dollars" or the "\$" sign appears in this Contract, they will be construed to mean United States Dollars and all transactions under this Contract will be in United States Dollars.

## **ARTICLE 17**



## **ACCESS TO RECORDS**

- A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files ("Records") relating to business reinsured under this Contract during regular business hours, except for the following:
1. Materials considered by the Company to be Proprietary or Privileged Materials;
  2. Policy files more than three (3) years after this Contract has been cancelled or has been terminated;
  3. Audit, premium and/or accounting files more than three (3) years after the premium has been calculated; or
  4. Closed claim files more than three (3) years after the claim has been closed.

The Reinsurer shall notify the Company at least fifteen (15) Business Days prior to inspection of the nature of the inspection, who is conducting the inspection and the Records they wish to review.

- B. Notwithstanding the above, a Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due hereunder or if any funding by such Reinsurer required under the provisions of Article 11 - TRUST ACCOUNT is either not in place or deficient in some manner. For the purposes of this paragraph, whether a payment is undisputed shall be determined in accordance with the NAIC rules regarding payments more than ninety (90) days overdue.
- C. Within sixty (60) days after the completion of any inspection of the Company's Records, the Reinsurer or its duly authorized representatives shall meet with the Company (either in person or by teleconference) and provide the Company with a written report regarding such inspection of the Company's Records.
- D. "Proprietary or Privileged Materials" as used herein shall mean files, records, documents or books; (1) concerning trade secrets of the Company ("trade secrets" shall have the meaning provided in Section 1839 of the United States Economic Espionage Act of 1996), (2) subject to the work product privilege or attorney-client privilege related to dispute, litigation, or arbitration among the parties to this Contract, or (3) concerning individual private information that as a matter of law cannot be disclosed by the Company.

## **ARTICLE 18**

### **NO CONFIDENTIALITY**

- A. Any party or the Original Insured may (1) disclose, publish or otherwise make a redacted version of this Contract, the Policy, any I&L Agreement or the Endorsement publicly available without the consent of the other party; provided,

however, that the Original Insured shall determine, in its sole discretion, which information must be redacted from any of the foregoing prior to any such document being made publicly available; provided, further, that neither the Company nor the Original Insured shall disclose the contract number of this Contract or the Reinsurer's name, jurisdiction or allocation under this Contract without the Reinsurer's prior written consent, and (2) disclose, without limitation of any kind, the tax treatment and tax structure relating to this Contract, the Policy, any I&L Agreement or the Endorsement, any fact that may be relevant to understanding the tax treatment or structure of the foregoing, and all materials of any kind relating to such tax treatment or structure that may be relevant to understanding such tax treatment or structure.

- B. If any party or the Original Insured drafts any news release or other public announcement or communication regarding this Contract, the party drafting such news release or other public announcement shall provide the other party and the Original Insured, as applicable, reasonable advance notice and reasonable time to review and comment upon a draft of such news release or other public announcement or communication; provided, however, that prior to disclosure of this Contract as permitted under paragraph A above of this Article 18 - NO CONFIDENTIALITY, this paragraph B shall not apply to a news release or other public announcement or communication that refers to this Contract in an incidental manner and does not include any material details regarding this Contract or the parties hereto.

## **ARTICLE 19**

### **INDEMNIFICATION, ERRORS AND OMISSIONS**

- A. The Reinsurer is reinsuring the obligations of the Company arising out of or in connection with the Policy. Except as set forth in Article 19 - INDEMNIFICATION, ERRORS AND OMISSIONS paragraph B, the Company will be the sole judge as to:
1. What will constitute a claim or loss covered under the Policy;
  2. The Company's liability thereunder;
  3. The amount or amounts that it will be proper for the Company to pay thereunder.
- B. The Reinsurer will be bound by the judgment of the Company as to the obligation(s) and liability(ies) of the Company, including, but not limited to, the judgment of the Company as to the amounts owed by the Company, under the Policy; provided, however, that the Reinsurer may contest a Proof of Loss following the Reinsurer's receipt of the Proof of Loss, but only if the Reinsurer forms a reasonable good faith belief that the Original Insured has made material misrepresentations or committed other wrongful and dishonest acts or omissions directly relating to a calculation by the Original Insured set forth in such Proof of Loss. The Reinsurer shall communicate its position to the Company within three (3) Business Days following the Reinsurer's receipt of the contested Proof of Loss. The Company shall submit

its acceptance or rejection of a Proof of Loss to the Original Insured pursuant to Article V(C) of the Policy on the fifth (5<sup>th</sup>) Business Day following the Company's receipt of such Proof of Loss from the Original Insured. To the extent any Reinsurer contests a Proof of Loss pursuant to this Article 19 - INDEMNIFICATION, ERRORS AND OMISSIONS paragraph B, the Company shall reject only a portion of such Proof of Loss pursuant to Article V(C) of the Policy, in an amount equal to such Reinsurer's quota share percentage of the Covered Amount set forth in such Proof of Loss. The Company shall determine whether to accept or reject the remainder of such Proof of Loss in accordance with Article V(C) of the Policy.

- C. Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract will not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

## **ARTICLE 20**

### **INSOLVENCY**

- A. Subject to Article 21 - ASSUMPTION OF LIABILITY and Article 22 - ALTERNATE PAYEE, in the event of the Company's insolvency, the reinsurance afforded by this Contract will be payable by the Reinsurer on the basis of the Company's liability under the Policy without diminution because of the Company's insolvency or because its receiver, liquidator, conservator, or statutory successor has failed to pay all or a portion of any claims, subject however to the right of the Reinsurer to offset against such funds due hereunder, any sums that may be payable to them by said insolvent Company in accordance with Applicable Law. The reinsurance will be payable by the Reinsurer directly to the Company, or to its receiver, liquidator, conservator, or statutory successor except (1) where this Contract specifically provides for another payee of such reinsurance in the event of the Company's insolvency or (2) where the Reinsurer, with the consent of the Original Insured, has assumed such Policy obligations of the Company as direct obligations of itself to the payee under such Policy in substitution for the Company's obligation to such payee.
- B. The Company's receiver, liquidator, conservator, or statutory successor will give written notice of the pendency of a claim against the Company under the Policy within a reasonable time after such claim is filed in the insolvency proceeding. During the pendency of such claim, the Reinsurer may investigate said claim and interpose in the proceeding where the claim is to be adjudicated, at its own expense, any defense that it may deem available to the Company, or to its receiver, liquidator, conservator, or statutory successor. The expense thus incurred by the Reinsurer will be chargeable against the Company, subject to court approval, as part of the expense of conservation or liquidation to the extent that such proportionate share of the benefit will accrue to the Company solely as a result of the defense undertaken by the Reinsurer.
- C. The provisions of Article 22 - ALTERNATE PAYEE are intended to take precedence over this Article. This Article shall apply to the extent the Reinsurer has any liability to the Company, or to its receiver, liquidator, or statutory successor, after the

operation of Article 22 - ALTERNATE PAYEE.

- D. This Article and the laws of [REDACTED] will apply in the event of the insolvency of the Company. In the event of a conflict between any provision of this Article and the laws of [REDACTED], the laws of [REDACTED] will prevail.

## **ARTICLE 21**

### **ASSUMPTION OF LIABILITY**

Pursuant to the Endorsement, each Reinsurer has agreed to become directly liable to the Original Insured for its quota share percentage of all of the Covered Amounts (and for any late payment fees attributable to the applicable Reinsurer) ceded to the Reinsurer hereunder and under the I&L Agreement, but only and to the extent that the Original Insured does not receive payment of a Covered Amount (or any applicable late payment fee) as and when required under the Policy.

## **ARTICLE 22**

### **ALTERNATE PAYEE**

- A. Pursuant to Article 21 - ASSUMPTION OF LIABILITY, each Reinsurer shall make payments of (i) its quota share percentage of any Covered Amounts due to the Original Insured under the Policy and (ii) any late payment fees attributable to the applicable Reinsurer due to the Original Insured under the Policy directly to the Original Insured, in lieu of payment to the Company, or its receiver, liquidator, or statutory successor, in the event the Original Insured does not otherwise receive payment of any such Covered Amount (or any such late payment fee) as and when required under the Policy.
- B. In the event the Reinsurer is obligated to pay any Covered Amount (or any late payment fee) to the Original Insured pursuant to paragraph A above, the following will apply:
1. Each Reinsurer will make payment of its quota share percentage of the applicable Covered Amount (and, if applicable, any late payment fee attributable to the applicable Reinsurer) directly to the Original Insured, in lieu of payment to the Company, or its receiver, liquidator, or statutory successor; and
  2. Each Reinsurer shall be credited with any amount equal to such payment and shall be relieved of its corresponding responsibility and liability to the Company, or its receiver, liquidator, or statutory successor under Article 20 - INSOLVENCY, for the amount of such payment for any sum or sums owed or owing under this Contract; and
  3. All provisions of this Contract shall apply to the Original Insured in the same manner as if the Original Insured were substituted for the Company as the

reinsured party hereunder.

- C. With regard to any unpaid Covered Amount or late payment fee owed to the Original Insured by the Company under the Policy, in the event that the Original Insured is paid by a Reinsurer or the Company, or if the Original Insured withdraws Assets from a Reinsurer's Trust Account, then, to the extent of any such Covered Amount or late payment fee so received by the Original Insured, the Company is relieved of all corresponding responsibility and liability to the Original Insured under the Policy, and such Reinsurer is thereby relieved of its corresponding responsibility and liability to the Company under this Contract and to the Original Insured pursuant to the Endorsement for any such Covered Amount or late payment fee so received by the Original Insured.
- D. Notwithstanding anything to the contrary herein, in no event will the Reinsurer be subject to duplicate liability, to or on behalf of the Company, its receiver, liquidator, or statutory successor or to any other entity or person claiming by, through, or under this Contract, including the Original Insured.
- E. This Article may not be amended or cancelled without the express written consent of the Original Insured.

#### **ARTICLE 23**

##### **DISPUTE RESOLUTION; VENUE**

Any dispute arising out of or in connection with this Contract, the Policy, the I&L Agreement, the Endorsement and the Trust Agreement (the "Reinsurance Documents") shall be settled in a proceeding brought in the United States District Court for the Eastern District of Virginia. Each of the Company and the Reinsurer irrevocably submits to the personal and in rem jurisdiction and venue of the United States District Court for the Eastern District of Virginia for the purposes thereof and hereof, and expressly waives any claim of lack of personal jurisdiction and improper venue and any claim that any such Court is an inconvenient forum. The Company and the Reinsurer hereby irrevocably consent to the service of process in such court in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the address provided to the parties as set forth below, such service to become effective ten (10) days after such mailing. It is further agreed that service of process in any suit instituted against a party will be made upon the other party and that in any such suit the Company and the Reinsurer will abide by the final decision of such Virginia court, including any appellate court in the event of an appeal. Any award of money damages in such proceeding shall be consistent with the Reinsurer's pro rata share of liability as set forth in this Contract, the I&L Agreement and the Endorsement.

#### **ARTICLE 24**

##### **GOVERNING LAW**

This Contract and any dispute, controversy or claim arising out of or relating to the

Reinsurance Documents (except with respect to Article 20 - INSOLVENCY and the Trust Agreement) shall be governed by Delaware Law. The parties (i) acknowledge that they have selected Delaware law to promote the parties' mutual commercial goals and (ii) waive the application of non-Delaware law notwithstanding that the effect of provisions of this Contract under Delaware law may be inconsistent with the effect of such provisions under the law or public policy of another jurisdiction. For the avoidance of doubt, (a) the laws of [REDACTED] shall prevail in the event of a conflict between such laws and Article 20 - INSOLVENCY, and (b) any dispute, controversy or claim directly related to the Trust Agreement shall be governed by the terms and conditions of the Trust Agreement, including the choice of law provision set forth therein.

## **ARTICLE 25**

### **NON-WAIVER**

No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving and by the Original Insured. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Contract shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

## **ARTICLE 26**

### **ENTIRE AGREEMENT AND INTERPRETATION; AMENDMENTS**

- A. The Reinsurance Documents constitute the entire agreement between the Company and the Reinsurer with respect to the Business Covered, and supersede all prior understandings, negotiations, and discussions, whether oral or written, by or between the Company and the Reinsurer. There are no general or specific warranties, representations, or other agreements by or among the Company and the Reinsurer in connection with entering into the Reinsurance Documents except as specifically set forth in the Reinsurance Documents.
- B. Any amendment or modification to the Policy made by the Company and the Original Insured shall be effective when made unless it can be demonstrated by the Reinsurer that such amendment or modification would have a material adverse effect on the Reinsurer's obligations and liabilities under this Contract, the I&L Agreement and the Endorsement. In such case, prior express written consent of the Reinsurer will be required. However, in the event such amendment or modification is made to the Policy without such consent, the Reinsurer's obligations and liabilities shall continue in effect as if such amendment or modification had not been made.
- C. The purposes of the Reinsurance Documents are not to be defeated by a narrow or

technical legal interpretation of its provisions. The Reinsurance Documents will be construed as an honorable undertaking and should be interpreted for the purpose of giving effect to the intentions of the parties hereto.

- D. Neither this Contract nor any I&L Agreement may be amended, supplemented or otherwise modified without the prior written consent of the Original Insured.

#### **ARTICLE 27**

##### **ASSIGNMENT, NOVATION, OR TRANSFER**

This Contract will be binding upon and inure to the benefit of the Company and the Reinsurer and their respective successors and assigns; provided, however, that, subject to Article 20 - INSOLVENCY, this Contract may not be assigned, novated, or transferred, including any attempted transfer of rights and/or obligations under any U.S. or non-U.S. statute, legislation, or jurisprudence, by either the Company or the Reinsurer, or as the result of the actions of a parent company or an affiliated entity of either, without the prior written consent of the other party and of the Original Insured. In the event of any assignment or transfer, the assignor or transferor will remain liable under this Contract and further guarantees the performance of all obligations of any assignee or transferee under this Contract. Notwithstanding the foregoing, the Company may assign this Contract to an affiliated entity without the Reinsurer's written consent; however, prior written consent of the Original Insured is required.

#### **ARTICLE 28**

##### **COUNTERPARTS**

This Contract may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

#### **ARTICLE 29**

##### **CONSTRUCTION**

- A. The headings and titles to the articles of this Contract are inserted for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.
- B. This Contract is the result of arms-length negotiations between the parties and has been prepared jointly by the parties. In applying and interpreting the provisions of this Contract, there shall be no presumption that either the Company or the Reinsurer prepared this Contract, or that this Contract shall be construed in favor of or against either the Company or the Reinsurer.

## ARTICLE 30

### SEVERABILITY

If any provision of the Reinsurance Documents will be rendered illegal or unenforceable by the laws, regulations, or public policy of any state, then such provision will be considered void in such state, but this will not affect the validity or enforceability of any other provision of this Contract or the enforceability of such provision in any other jurisdiction.

## ARTICLE 31

### DUTIES OF AGENTS

A.

[REDACTED] Aon Risk Services (Northeast) Inc. ("ARS") has separately undertaken to act in a brokerage capacity for the Original Insured, and, as such, has undertaken to likewise perform a number of operational and administrative functions for and on behalf of its brokerage client, the Original Insured, and has further undertaken to avoid any conflicts that would interfere with its duties to the Original Insured. In all negotiations with Reinsurers, ARS, [REDACTED], shall act solely on behalf of and in the best interests of the Original Insured.

B.

[REDACTED]

All communications (including, but not limited to, notices, statements, premiums, return premiums, taxes, losses and loss settlements) relating to this Contract shall be transmitted between and among the Original Insured, the Company and/or the Reinsurer through [REDACTED]. Payments by and through the Company to [REDACTED] shall be deemed payment to the Reinsurer. Payments by the Reinsurer to and through the Company to the Original Insured shall be deemed payment to the Original Insured only to the extent that such payments are actually received by the Original Insured.

**In Witness Whereof**, the Company by its duly authorized representative has executed this Contract as of the date specified below:

This \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_.



[REDACTED]

Signature

Title

**ATTACHMENT 1**

**Credit Insurance Policy**  
**(Policy Number: [REDACTED])**

*(Attached)*