

POLICY NO:

B0572YR200062

**571
TYS**

REINSURED	Group Excess Layer 1
RISK	Title Insurance Excess of Loss Reinsurance
PERIOD	12 months from 1 st January 2020



TYSERS

RISK DETAILS

UNIQUE MARKET REFERENCE (UMR): B0572YR200062

TYPE: Title Insurance Excess of Loss Errors and Omissions Reinsurance

REINSURED: Connecticut Attorneys Title Insurance Company
Agents National Title Insurance Company
Attorneys Title Guarantee Fund Inc., Colorado
The Security Title Guarantee Corporation of Baltimore
Alliant National Insurance Company
First National Title Insurance Company
WFG National Title Insurance Company
Real Advantage Title Insurance Company
Iowa Title Guaranty
Attorneys' Title Guarantee Fund Inc., Illinois

PERIOD: From: 01 January 2020
To: 01 January 2021
Both days inclusive from 12:01am, Eastern Standard Time.

TERRITORY: All Covered Risks issued in those states or other jurisdiction where the Reinsured has received regulatory approval or otherwise lawfully conducts business as a title insurer.

EXCLUSIONS: As per attached.

RETENTION AND LIMIT: The Reinsured shall retain the Ultimate Net Loss of USD 3,000,000 ("Retained Amount") for each and every Covered Risk. The Reinsurer shall reimburse the Reinsured for Ultimate Net Loss in excess the Retained Amount up to a maximum limit of USD 7,000,000 for each and every Covered Risk ("Reinsurer's Limit of Liability"), subject to the terms of this Contract.

PREMIUM: A deposit premium of USD 2,310,000 shall be paid to the Reinsurer in four equal quarterly installments on January 1st 2020, April 1st 2020, July 1st 2020 and October 1st 2020.

Within 90 days of the Expiration Date the aforementioned deposit premium shall be adjusted and the amount payable to the Reinsurer shall be calculated at a rate of 7.70% of the Reinsured's Ground Up Exposed Premium Income for the period of this Contract up to the Expiration Date, subject to a minimum premium of USD 2,079,000.

Premium adjustments shall continue annually thereafter, until all Gross Up Exposed Premium Income for the period of this Contract is finalised.

CONDITIONS: As per attached

CHOICE OF LAW & JURISDICTION: This Contract shall be governed by and interpreted in accordance with the law of the State of New York, United States of America.

REINSTATEMENT: Two full Reinstatement at 100% additional premium as to time, pro rata as to amount.

ARBITRATION: As per attached Article 25

PREMIUM PAYMENT
TERMS: None

TAX(ES) PAYABLE BY
THE COMPANY AND
ADMINISTERED
BY REINSURERS: None

RECORDING,
TRANSMITTING
AND STORING
INFORMATION: Where Tysers Re maintain risk and claims data / information / documents. Tysers Re may hold data / information / documents electronically.

REINSURER
CONTRACT
DOCUMENTATION: This Document details the contract terms agreed between the Reinsured and the Reinsurers as well as setting out administrative details under the appropriate sections contained herein.

This Document forms the definitive contract of insurance and as such no formal policy shall be issued.

INFORMATION

Estimated Ground Up Exposed Premium Income USD 30,000,000

SECURITY DETAILS

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

21/6/07
LMA3333

ORDER HEREON: 100 % of 100%

BASIS OF
WRITTEN LINES: Percentage of whole

SIGNING PROVISIONS: In the event that the written lines hereon exceed 100% of the order, any lines written to "To Stand" will be allocated in full and other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the (re)insured may elect for the disproportionate signing of (re)insurers' lines, without further specific agreement of (re)insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "To Stand" may not be varied without documented agreement of those (re)insurers;
- c) the signed lines resulting from application of the above provisions can be varied, before or after the commencement date of the period of insurance, by documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in the agreement.
- d) Tysers Re are permitted to allocate security to Reinsureds where required.

WRITTEN LINES

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the slip leader.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

WRITTEN PERCENTAGE

REINSURER

Signed lines

28%

40%

beazley



AFB 2623 82%
AFB 623 18%

AS 23/12/19

79775J 20 ANT7
UW PWH

13%

20%



XL Reinsurance

ju 24/12/19



XLC 2003

103130512000

28%

40%

Chaucer
Treaty

AM 23/12/19



CSL
1084

52554820AA--



WRITTEN LINES

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the slip leader.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

WRITTEN PERCENTAGE

REINSURER

Signed Lines

11 %

20%

[Signature] 23/12/19

RNR 1458

I	A	B	1	0	1	3	0	3	2	0	0
---	---	---	---	---	---	---	---	---	---	---	---

5 %

15%

BRIT
GLOBAL SPECIALTY

[Signature] BRT 2987

B	B	6	5	8	S	2	0	A	0	0	0
---	---	---	---	---	---	---	---	---	---	---	---

A A N N N A N N A N N N

YOA: 2020 Per APM

[Signature]
30.12.19

5 %

10%

[Signature] SH 1945

I	T	C	A	4	0	0	3	2	8
---	---	---	---	---	---	---	---	---	---

A A A A N N N N N N

[Signature] 31/12/19



WRITTEN LINES

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the slip leader.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

WRITTEN PERCENTAGE

REINSURER

Signed Lines

10 % 20%

DUAL ASSET UNDERWRITING LTD
On behalf of Fidelis Underwriting Ltd
Under Binder UMR B0391IR1801809

Signed:



Ian Keith
Its: Managing Director

DAU No. : 00-5290902020



CONTRACT ADMINISTRATION AND ADVISORY SECTIONS

SUBSCRIPTION AGREEMENT

SLIP LEADER: Beazley Syndicate 2623/623

BUREAU LEADER: Either the first London Market Company (whose line is evidenced by a Bureau stamp) or the first Lloyd's Syndicate, whichever be the first in order of position in the SECURITY DETAILS Section of this Contract.

BASIS OF AGREEMENT TO CONTRACT CHANGES:

GUA (February 2014) with Excess of Loss and Treaty Reinsurance Schedule (October 2002)

Any extensions to the Premium Payment Conditions and/or Adjustments of Premium are to be agreed by the overall Slip Leader only.

(Re)Insurers hereon agree that, in relation to any endorsements to this slip, the Slip Leader shall in its sole discretion determine which of the agreement boxes of the GUA stamp is appropriate.

OTHER AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR PART 2 GUA CHANGES ONLY:

Where no other agreement parties for contract changes are stated hereafter, the agreement parties will be the slip leader only:

AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR THEIR PROPORTION ONLY:

Reinsurers stated here elect to opt out of leading underwriter agreement provisions provided by the GUA and are required to agree all contract changes for their own participation only, unless otherwise stated herein:

BASIS OF CLAIMS AGREEMENT:

Claims to be managed in accordance with the Lloyd's Claims Scheme (Combined) or as amended or any successor thereto.

Company reinsurers who do not participate in such claims schemes to agree all claims each for their own proportion.

CLAIMS
AGREEMENT
PARTIES:

Claims to be agreed by the Slip Leader and:

- (i) For Lloyd's syndicates: the leading Lloyds syndicate and, where required by the applicable Lloyd's Claims Scheme, the second Lloyd's syndicate and/or the Scheme Service Provider.

The second Lloyd's syndicate is: *XLC 2003*



- (ii) The first company in the event that the Slip Leader is a Lloyds Syndicate.
- (iii) Xchanging Claims Services where there is more than one (or two if the risk is a "Special Category" one) participating Lloyds managing agent.
- (iv) All non-bureau insurers each for their own proportion.
- (v) The second Lloyds Underwriter may enter themselves here but only if the risk is a "Special Category" one.

CLAIMS
ADMINISTRATION:

Tysers Insurance Brokers and Reinsurers agree that any claims hereunder (including any claims related costs/fees) will be notified and administered via ECF with any payment(s) processed via CLASS, unless both parties agree to do otherwise.

RULES AND EXTENT
OF ANY OTHER
DELEGATED CLAIMS
AUTHORITY:

None, unless otherwise specified here by any of the claims agreement parties shown above.

EXPERT FEES
COLLECTION:

Tysers Re to collect fees applicable unless collectable via the XCS

SETTLEMENT
DUE DATE:

1st March, 2020

INSTALMENT
PREMIUM PERIOD
OF CREDIT:

30 days

ADJUSTMENT
PREMIUM PERIOD
OF CREDIT:

60 days

BUREAUX
ARRANGEMENTS:

Where a premium payment warranty or premium payment condition exists and the date is later than the settlement due date, the settlement due date is assumed to be automatically extended to the same date as the premium payment warranty or premium payment condition. Where a settlement due date, premium payment warranty or premium payment condition due date falls on a weekend or public holiday, presentation to Xchanging Ins-sure Services on the next working day will be deemed to be in

compliance with the settlement due date, premium payment warranty or premium payment condition.

Reinsurers agree that if the Premium is payable in installments then the second and subsequent Premium installments are to be taken down as Additional Premiums.

(Re)Insurers agree where applicable to allow convertible currencies to be submitted in USD.

Lines Clause NMA 2419 to be applied if applicable.

**NON BUREAUX
ARRANGEMENTS:**

Where a premium payment warranty or premium payment condition exists and the date is later than the settlement due date, the settlement due date is assumed to be automatically extended to the same date as the premium payment warranty or premium payment condition. Where a settlement due date, premium payment warranty or premium payment condition due date falls on a weekend or public holiday, payment on the next working day will be deemed to be in compliance with the settlement due date, premium payment warranty or premium payment condition.

FISCAL AND REGULATORY

**TAX PAYABLE BY
REINSURERS(S):**

Nil.

**COUNTRY OF
ORIGIN:**

USA

**OVERSEAS
BROKER:**

Thompson Flanagan
150 North Wacker Drive
Chicago
IL 60606
USA

**US
CLASSIFICATION:**

US Reinsurance

NAIC CODE:

12522 - Agents National Title Insurance Company
51560 - Attorneys Title Guarantee Fund Inc., Colorado
51268 - Connecticut Attorneys Title Insurance Company
50784 - The Security Title Guarantee Corporation of Baltimore
12309 - Alliant National Insurance Company
24724 - First National Title Insurance Company
51152- WFG National Title Insurance Company
50440 - Real Advantage Title Insurance Company
N/A - Iowa Title Guaranty
50004 - Attorneys Title Guarantee Fund Inc., Illinois

**ALLOCATION OF
PREMIUM TO
CODING:**

100% - TT

**REGULATORY
CLIENT
CLASSIFICATION:**

Reinsurance

BROKER REMUNERATION AND DEDUCTIONS

FEE PAYABLE
BY CLIENT: No

TOTAL
BROKERAGE: 15% (nil on Reinstatement)

OTHER
DEDUCTIONS
FROM PREMIUM: None

CONNECTICUT ATTORNEYS TITLE INSURANCE COMPANY
ALLIANT NATIONAL TITLE INSURANCE COMPANY
THE SECURITY TITLE INSURANCE COMPANY OF BALTIMORE
ATTORNEY TITLE GUARANTY FUND INC
AGENTS NATIONAL TITLE INSURANCE COMPANY
FIRST NATIONAL TITLE INSURANCE COMPANY
WFG NATIONAL TITLE INSURANCE COMPANY
REAL ADVANTAGE TITLE INSURANCE COMPANY
IOWA TITLE GUARANTY
ATTORNEYS' TITLE GUARANTEE FUND INC, ILLINOIS
SECOND EXCESS OF LOSS ERRORS AND OMISSIONS REINSURANCE CONTRACT

This Contract is made and entered into by and between, Connecticut Attorneys Title Insurance Company, Alliant National Title Insurance Company, The Security Title Insurance Company of Baltimore, Attorney Title Guaranty Fund Inc., Agents National Title Insurance Company, First National Title Insurance Company, WFG National Title Insurance Company Real Advantage Title Insurance Company, Iowa Title Guaranty and Attorneys' Title Guarantee Fund Inc., Illinois (collectively, the "Reinsured", or when referred to individually, a "Subscribing Reinsured") and the Subscribing Reinsurers specifically identified in the Interests and Liabilities Agreement attached to and forming a part of this Contract (collectively, the "Reinsurer").

Each signatory to this Contract agrees to honor the terms and conditions set forth herein as if the Contract were a separate agreement between the Reinsurer and each Subscribing Reinsured. Each Subscribing Reinsured's rights and obligations hereunder are several from those of any other Subscribing Reinsured and, except in respect of:

- a) the Reinsurer's Limit of Liability, which applies jointly to all Subscribing Reinsureds,
- b) the Subscribing Reinsureds' joint liability to pay Reinsurer the gross premium determined pursuant to Article 7 hereof, and
- e) the Subscribing Reinsureds' joint liability to pay reinstatement premium pursuant to Article 8 hereof in the event of a failure of offset of the same against Ultimate Net Loss payable hereunder to any Subscribing Reinsured that triggers the reinstatement.

Breach of this Contract by any Subscribing Reinsured shall not be imputed to any other Subscribing Reinsured.

ARTICLE 1

BUSINESS COVERED

The Reinsurer agrees to reimburse the Reinsured, on each Covered Risk on an excess of loss basis, for the amount of Ultimate Net Loss which the Reinsured may pay with respect to each Covered Risk.

ARTICLE 2

RETENTION AND LIMIT

The Reinsurer will be liable in respect of Ultimate Net Loss in excess of the Retained Amount (as defined below) and subject to the Reinsurer's Limit of Liability (as defined below):

The Reinsured shall retain the Ultimate Net Loss of USD 3,000,000 ("Retained Amount") for each and every Covered Risk. The Reinsurer shall reimburse the Reinsured for Ultimate Net Loss in excess of the Retained Amount

up to a maximum limit of USD 7,000,000 for each and every Covered Risk (“Reinsurer’s Limit of Liability”), subject to the terms of this Contract.

Any recoveries from underlying reinsurance shall be disregarded for the purposes of determining the Ultimate Net Loss hereon.

ARTICLE 3

TERM

- A. This Contract shall be effective for a 12 month period beginning 12:01 a.m., Eastern Standard Time, January 1st 2020 (the “Effective Date”) and shall expire at 12:01 a.m., Eastern Standard Time, January 1st 2021 (the “Expiration Date”). The period of time between the Effective Date and the Expiration Date shall be known as the “Term.” Subject to Clause B below, this Contract shall apply to Losses Discovered as defined in Article 9 hereof.
- B. In the event a Subscribing Reinsured and the Reinsurer do not renew this Contract, any or all of the Subscribing Reinsureds has the option to extend coverage hereunder as outlined below by notifying the Reinsurer in writing within 30 days after the Expiration Date. A Subscribing Reinsured electing to extend coverage is an “Extending Reinsured. Each Extending Reinsured shall pay an Extended Reporting Premium based upon its pro rata share of the Ground Up Exposed Premium Income applicable to the extended reporting period in accordance with the schedule below:

1 year extended reporting

An additional premium equal to 50% of the Extending Reinsureds’ pro rata share of Final Premium calculated pursuant to Article 7 of this Contract.

3 year extended reporting

An additional premium equal to 110% of the Extending Reinsureds’ pro rata share of the Final Premium calculated pursuant to Article 7 of this Contract.

5 year extended reporting

An additional premium equal to 150% of the Extending Reinsureds’ pro rata share of the Final Premium calculated pursuant to Article 7 of this Contract.

7 year extended reporting

An additional premium equal to 200% of the Final Premium calculated pursuant to Article 7 of this Contract.

10 year extended reporting

An additional premium equal to 250% of the Final Premium calculated pursuant to Article 7 of this Contract.

This Extended Reporting Premium will be considered fully earned by the Reinsurer at the Expiration Date.

Notwithstanding the Expiration Date of this Contract, the provisions of this Contract will continue to apply to all obligations and liabilities of the parties hereunder until all such obligations and liabilities are fully performed and discharged. For purposes of illustration and not limitation, the Reinsurer shall remain liable hereunder in relation to Ultimate Net Loss that remains unpaid by the Reinsurer either at the Expiration Date or at the end of the extended reporting period, as applicable.

ARTICLE 4

SPECIAL TERMINATION AND FUNDING

The Reinsured may terminate, on a pro-rata basis measured by time on the risk, a Subscribing Reinsurer's percentage share in this Contract at any time by giving 30 days' written notice to the Subscribing Reinsurer in the event of any of the following circumstances ("Special Termination"):

- A. The Subscribing Reinsurer ceases all underwriting operations.
- B. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision
- C. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been 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.
- D. The Subscribing Reinsurer's policyholders' surplus (or the equivalent under the Subscribing Reinsurer's accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Reinsured, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract.)
- E. The Subscribing Reinsurer has merged with or has become acquired or controlled by any organization, or individual(s) not controlling the Subscribing Reinsurer's operations as of the Effective Date of this Contract.
- F. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Reinsured's prior written consent.
- G. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A. M. Best and/or less than "BBB+" by S&P shall apply; however, this provision shall not apply to any Connecticut Attorneys Title Insurance Company acting in the capacity of a Reinsurer as outlined in the "Interest and Liabilities Addendum attached to the Contract.
- H. Full statutory financial statement credit for reinsurance provided by the Reinsurer is not allowed by a state or other jurisdiction [e.g. District of Columbia] having jurisdiction over the Reinsured's loss reserves, as defined in FUNDING, Article 14

If any claim made pursuant to this Contract with regard to any Loss Discovered remains outstanding as of the date of the Special Termination in an amount less than the premium paid to the Subscribing Reinsurer under Article 7 (including any minimum premium), the difference shall be deemed earned evenly over the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall promptly return the unearned amount of such difference received. If no claim made pursuant to this Contract with regard to any Loss Discovered exists as of the date of Special Termination, the Subscribing Reinsurer shall promptly return the full unearned premium to the Reinsured.

If any claim made pursuant to this Contract with regard to any Loss Discovered remains outstanding as of the date of the Special Termination in an amount exceeding the Contract premium per Article 7, then the Reinsured cannot exercise its rights under this Article 4.

ARTICLE 5

TERRITORY

This Contract shall cover all Covered Risks issued in those states or other jurisdiction where the Reinsured has received regulatory approval or otherwise lawfully conducts business as a title insurer.

ARTICLE 6

EXCLUSIONS

This Contract shall not apply to and specifically excludes:

- A. All liability of the Reinsured arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency Fund" includes any guaranty fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed that provides for any assessment of or payment or assumption by the Reinsured of part or all of any claim, debt, charge, fee or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.
- B. Loss or Liability excluded by the provisions of the attached Nuclear Incident Exclusion Clause - Liability - Reinsurance - U.S.A - as attached.
- C. Loss caused directly or indirectly by war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incidental to any of the foregoing.
- D. Loss resulting from fraud, theft, or defalcation, by the Reinsured its closing agents or its issuing agents (or its or their agents, employees, officers or representatives).
- E. Loss arising from the custody or disbursement of escrow funds by the Reinsured's directors or officers.
- F. Liability of the Reinsured arising from Native American Tribal Land claims.
- G. Loss resulting from seepage and pollution, including any law, ordinance or governmental regulation relating to pollution or environmental impairment, except to the extent that notice of the enforcement thereof, or notice of a defect, lien or encumbrance, resulting from a violation or alleged violation affecting the land has been recorded in the public records at the date of the Covered Risk.
- H. Losses excluded pursuant to the Nuclear Incident Exclusion attached hereto as Addendum A.
- I. Reinsurance Assumed Business, with the exception of deals underwritten by CATIC Title Insurance Company and Reinsured by Connecticut Attorneys Title Insurance Company, or any deal due to Lender or Government Sponsored Entity requirements is underwritten by one Reinsured under this contract and assumed by another Reinsured under this contract. Such deals will be retroceded to the Reinsurers under this contract via endorsement attached to this contract.

ARTICLE 7

PREMIUM

The Reinsured shall pay a deposit premium of USD 2,310,000 to the Reinsurer in four equal quarterly instalments on January 1st 2020, April 1st 2020, July 1st 2020 and October 1st 2020. Within 90 days of the Expiration Date the aforementioned deposit premium shall be adjusted and the amount payable to the Reinsurer shall be calculated at a rate of 7.70% of the Ground Up Exposed Premium Income, as defined in Article 9, for the Term, subject to a minimum premium of USD 2,079,000. Premium adjustments shall be made annually thereafter, until the Reinsured's Gross Net Written Premium for the period of this Contract is finalized (the "Final Premium"). The Reinsured's Gross Net Written Premium for the period of this Contract shall be deemed final on the thirtieth day following the three-year anniversary of the expiration of the Term (the "Final Adjustment Date"). Notwithstanding anything to the contrary in this Article, if, subsequent to the Final Adjustment Date, the Reinsured's Gross Net Written Premium for the period of this Contract changes by a factor of at least 5%, whether positively or negatively, then an additional premium adjustment shall be made in accordance with the terms of this Article. The date upon which such additional premium adjustment shall be made shall then be deemed the Final Adjustment Date.

For the purposes of this Contract a Subscribing Reinsured's pro rata share of the premium hereon shall be the proportionate share of each Subscribing Reinsured's reinsurance rate hereon times such Subscribing Reinsured share of ground up exposed premium income divided by the aggregate of the Ground Up Exposed Premium Income. The sum of the reinsurance rate hereon times each Subscribing Reinsured share of ground up exposed premium income will be subject to the minimum and deposit premium contained within this Article.

ARTICLE 8

REINSTATEMENT

Reinsurer agree that in the event of the whole or any portion of the Reinsurer's Limit of Liability of USD 7,000,000 is exhausted by payment of Ultimate Net Loss, the amount so exhausted shall be automatically reinstated from the time of payment by the Reinsurer of such Ultimate Net Loss, provided always that such reinstatement or reinstatements shall not exceed two reinstatements of the Reinsurer's Limit of Liability of USD 7,000,000, such that Reinsurer's liability hereunder shall be always subject to the aggregate limit of USD 21,000,000. The amount of any Ultimate Net Loss(es) for each of the two reinstatements subject to the Reinsurers Limit of Liability shall be automatically reinstated in proportion to the Ultimate Net Loss paid by the Reinsurers hereon based upon the Final Premium paid (as determined in Article 7) by the Subscribing Reinsured to which such Ultimate Net Loss was paid plus aggregate Extended Reporting Premium paid by the Extending Reinsureds in consideration for any extended reporting period elected under Article 3.B of this Contract.

In the event of more than one Subscribing Reinsured being liable for the additional premium due to the Reinsurer under the terms of this Article 8, the additional premium will be payable by each in proportion to its respective share of Ultimate Net Loss so reinstated.

Reinstatement premium shall be paid to the Reinsurer simultaneously with the payment of Ultimate Net Loss payments. The Reinsurer shall have the right to offset these amounts.

In the event of any payment of Ultimate Net Loss by the Reinsurer prior to the determination of Final Premium, the reinstatement premium shall be provisionally computed on the minimum and deposit premium and adjusted once the Final Premium is ascertained.

ARTICLE 9

DEFINITIONS

- A. For all Subscribing Reinsureds except WFG National Title Insurance Company Real Advantage Title Insurance Company, and Iowa Title Guaranty "Covered Risk" shall mean all Owner Policies, Loan Policies, Trustee Sale Guarantee Forms and Insured Closing Protection Contracts pertaining to One Site, as defined below, and issued by the Reinsured on or after January 1, 2012 through the Expiration Date.

With respect to WFG National Title Insurance Company, "Covered Risk" shall mean all Owner Policies, Loan Policies, Trustee Sale Guarantee Forms and Insured Closing Protection Contracts pertaining to One Site, as defined below, and issued by the Reinsured on or after January 1, 2016 through the Expiration Date.

With respect to Real Advantage Title Insurance Company, "Covered Risk" shall mean all Owner Policies, Loan Policies, and Insured Closing Protection Contracts pertaining to One Site, as defined below, and issued by the Reinsured on or after January 1, 2017 through the Expiration Date.

With respect to Iowa Title Guaranty, "Covered Risk" shall mean all Owner Policies, Loan Policies, Trustee Sale Guarantee forms and Insured Closing Protection Contracts pertaining to One Site, as defined below, and issued by the Reinsured on or after July 1, 2018 through the Expiration Date.

With respect to Attorneys' Title Guarantee Fund Inc., Illinois, "Covered Risk" shall mean all Owner Policies, Loan Policies, Trustee Sale Guarantee forms and Insured Closing Protection Contracts pertaining to One Site, as defined below, and issued by the Reinsured on or after January 1, 2020 through the Expiration Date.

Ultimate Net Losses arising out of the same related acts, omission or omissions at One Site from multiple Covered Risks shall be aggregated together and deemed a single Loss hereon.

"One Site" shall mean a contiguous area of land and structures thereon and improvements and appurtenances thereon, or a non-contiguous area of land and structures thereon and improvements and appurtenances thereon, which is or has been the subject of a single site development project, whether completed or not.

Notwithstanding the foregoing whenever a Loan Policy is issued simultaneously with an Owner's Policy covering the same estate or interest, the liability shall be treated as a single Covered Risk and premium shall be based on the policy with the highest limit of liability under either Covered Risk form.

- B. "Owner's Policy" or "Owner Policies" shall mean all real property title insurance policies, commitments, and endorsements as issued by the Reinsured or its authorized agents on owner's forms prescribed by the American Land Title Association or other owner's forms and endorsements not prohibited by regulatory authorities having jurisdiction in the state in which the subject real property is located.
- C. "Loan Policy" or "Loan Policies" shall mean all real property title insurance policies, commitments, and endorsements as issued by the Reinsured or its authorized agents on loan forms prescribed by the American Land Title Association or other Loan forms and endorsements not prohibited by regulatory authorities having jurisdiction in the state in which the subject real property is located.
- D. "Insured Closing Protection Contracts" shall mean all closing protection letters, insured closing letters and insured closing protection contracts issued by the Reinsured or its authorized agents on forms prescribed by the American Land Title Association or other forms and endorsements not prohibited by regulatory authorities in the state in which the real property to be insured by an Owner's Policy and/or Loan Policy is located.

- E. "Trustee Sale Guarantee forms" shall mean any trustee sale guarantee form or trustee search guarantee contract form or any similarly styled contract form, issued in connection with the foreclosure of real property, by the Reinsured or its authorized agents on forms prescribed by the American Land Title Association or other forms and endorsements not prohibited by regulatory authorities in the state in which the real property is located.
- F. "Loss" shall mean the amount of any loss, damage, costs, and expenses, including Loss Adjustment Expense paid by the Reinsured or for which the Reinsured has become liable to pay under or in relation to a Loss Discovered.
- G. "Ground Up Exposed Premium Income" shall mean the premium extracted from the gross written premium income as it appears in the Schedule T (Column 7) Form 9 Regulatory filing by the Reinsured during the Term of this Contract and having a limit of liability greater than the Retained Amount of this Contract, (1) less premium tax, reinsurance premium paid on reinsurance inuring to the benefit of the Reinsurer, cancellations, and returns, plus (2) any specific additional premium charged.
- H. Extended Reporting Premium shall mean premium paid by the Extending Reinsured to the Reinsurer in the event the Reinsured invokes its rights under Article 3B of this Contract.
- I. "Losses Discovered" shall mean any claim, demand, suit, or proceeding arising out of a Covered Risk discovered and reported to the Reinsurer in accordance with Article 13 of this Contract.
- J. "Loss Adjustment Expense" means costs and expenses incurred by the Reinsured in connection with the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a Loss Discovered, including, but not limited to:
- a. court costs;
 - b. costs of supersedeas and appeal bonds;
 - c. monitoring counsel expenses;
 - d. legal expenses and costs incurred in connection with coverage questions and legal actions in connection thereto, including but not limited to declaratory judgment actions;
 - e. post-judgment interest;
 - f. pre-judgment interest, unless included as part of an award or judgment;
 - g. a pro rata share of salaries and expenses of Reinsured's employees, responsible for adjusting such Loss Discovered, and expenses of other Reinsured's employees who have been temporarily diverted from their normal and customary duties and assigned to the adjustment of such Loss Discovered; and
 - h. Expenses incurred in pursuing subrogation, salvage and other such recoveries inuring to the benefit of this Contract.

"Loss Adjustment Expense" does not include office and other overhead expenses.

K. "Non-Appointing Party" means either the Reinsured or the Reinsurer, as applicable.

ARTICLE 10

EXTRA CONTRACTUAL OBLIGATIONS/LOSS IN EXCESS OF COVERED RISK LIMITS

- A. This Contract shall cover Extra Contractual Obligations, as provided in Article 11. "Extra Contractual Obligations" shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any claim on Business Covered hereunder, including, but not limited to, liabilities arising out of any of the following: failure by the Reinsured to settle within the Covered Risk limit, and/or alleged or actual negligence, alleged fraud-and/or alleged or actual bad faith in rejecting an offer of settlement, in in defending any action against its insured or reinsured, including any trial thereof, and/or in preparing or prosecuting any appeal relating to any such action.
- B. This Contract shall cover Loss in Excess of Covered Risk Limits, as provided in the definition of Ultimate Net Loss. "Loss in Excess of Covered Risk Limits" shall be defined as Loss in excess of the Covered Risk limit, including, but not limited to, loss incurred because of: failure by the Reinsured to settle within the Covered Risk limit, and/or alleged or actual negligence, alleged fraud and/or alleged or actual bad faith in rejecting an offer of settlement, in in defending any action against its insured or reinsured, including any trial thereof, and/or in preparing or prosecuting any appeal relating to any such action.
- C. An Extra Contractual Obligation and /or Loss in Excess of Covered Risk Limits shall be deemed to have been incurred on the same date as the Loss or alleged Loss covered under the Reinsured's Covered Risk and shall constitute part of the original Loss.
- D. For the purposes of the Loss in Excess of Covered Risk Limits coverage hereunder, the word "Loss" shall mean any amounts for which the Reinsured would have been contractually liable to pay had it not been for the limit of the original Covered Risk.
- E. Loss Adjustment Expense in respect of Extra Contractual Obligations and/or Loss in Excess of Covered Risk Limits shall be covered hereunder in the same manner as other Loss Adjustment Expense.
- F. However, this Article shall not apply where the loss has been incurred due to the admission of or final legal adjudication of fraud by a member of the Board of Directors and/or a corporate officer of the Reinsured, whether acting individually or collectively or in collusion with any individual and/or corporation and/or other organization or party involved in the presentation, defense, or settlement of any claim covered hereunder.
- G. Recoveries from any form of insurance or reinsurance which protect the Reinsured against claims that are the subject matter of this clause shall inure to the benefit of the Reinsurer and shall be deducted from the amount of the Extra Contractual Obligations and/or Loss in Excess of Covered Risk Limits to arrive at the amount of the Reinsured's Loss payable hereunder.
- H. The coverage provided under this Article 10 shall be subject to any applicable law or regulation prohibiting such coverage or any part of it.
- I. Any Extra Contractual Obligation or Loss in Excess of the Covered Risk Limits as defined in this Article shall not increase the amounts recoverable under Article 2 of this Contract.

ARTICLE 11

ULTIMATE NET LOSS

- A. "Ultimate Net Loss" means the actual Loss paid by the Reinsured or which the Reinsured becomes liable to pay, such Loss to include 90% of any Extra Contractual Obligation and 90% of any Loss in Excess of Covered Risk Limits.

- B. Prior to settlement of a Loss Discovered, all subrogation, salvage, and other recoveries (including amounts due from all reinsurances that inure to the benefit of this Contract, whether recovered or not), shall be first deducted from such Ultimate Net Loss to arrive at the amount of liability attaching hereunder.
- C. After the settlement of a Loss Discovered, all recoupments, all subrogation, salvage and/or other recoveries received subsequent to such settlement shall be applied as if r received prior to such settlement, and all necessary adjustments to amounts payable under this Contract shall be made by the parties hereto.
- D. The Reinsured shall be deemed to be "liable to pay" a Loss when a judgment has been rendered that the Reinsured does not plan to appeal or a settlement has been reached by the Reinsured with respect to a Covered Risk, and/or the Reinsured has obtained a release, and/or the Reinsured has accepted a proof of Loss. The Reinsured shall have a duty to pursue all subrogation, salvage and other recoveries that inure to the benefit of this Contract, including the initiation of legal proceedings, when, upon reasonable investigation, it determines such actions are reasonably practicable and financially justified.
- E. Nothing in this Article shall be construed to mean that Losses are not recoverable hereunder until the Reinsured's final Ultimate Net Loss has been ascertained.

ARTICLE 12

NET RETAINED LINES

- A. This Contract applies only to that portion of any Ultimate Net Loss that the Reinsured retains net for its own account (prior to deduction of any reinsurance that inures solely to the benefit of the Reinsured).
- B. The amount of the Reinsurer's liability hereunder in respect of any Ultimate Net Loss(es) shall not be increased by reason of the inability of the Reinsured to collect from any other reinsurer(s), whether specific or general, any amounts which may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

ARTICLE 13

NOTICE OF LOSS AND LOSS SETTLEMENTS

The Reinsured will advise the Reinsurer promptly of each claim, demand, suit, or proceeding arising out of a Covered Risk that has been made against the Reinsured where, in the sole judgment of the Reinsured, the claim, demand, suit, or proceeding may involve the Reinsurer under this Contract and of all subsequent developments pertaining thereto that may materially affect the Reinsurer. Such Notice shall be provided as soon as practicable, but no later than 30 days after the Expiration Date of the Term as defined in Article 3.

The Reinsured will have the right to adjust, settle or compromise all claims arising out of Business Covered by this Contract. Such settlements shall be binding upon each Subscribing Reinsurer in proportion to its participation in this Contract. When so requested however, the Reinsured will afford the Reinsurer, at the Reinsurer's own expense, an opportunity to associate in the defense of any claim, suit, or proceeding involving such claim, and the Reinsured and the Reinsurer will cooperate in such defense. Such cooperation, however, does not alter the Reinsured's right of claims control.

The Reinsurer will collectively appoint a single representative for purposes of exercising its right to associate.

Notwithstanding that this Contract is one of indemnity, the Reinsurer agrees that settlement of Ultimate Net Loss will be payable by the Reinsurer immediately upon being furnished by the Reinsured with reasonable evidence of the amount paid or to be paid in excess of the Retained Amount.

The Reinsured must seek the Reinsurers' approval prior to making any ex gratia payments. If such approval is provided, Ultimate Net Loss will include such ex gratia payments

ARTICLE 14

FUNDING

This clause applies only to those Subscribing Reinsurers who are subject to the Special Termination Funding Provision and to those for whom the Reinsured would not receive full credit for the reinsurance provided hereunder with any regulatory authority having jurisdiction over the Reinsured's reserves. This clause shall not apply to Lloyd's Syndicates unless they are subject to the Special Termination Funding Provision.

If a Subscribing Reinsurer's rating falls below "A-" by A.M. Best or "BBB+" by S&P or it has been subject to any event described in clauses C or D of Article 4, and the Reinsured has not terminated such Subscribing Reinsurer's participation in this Contract, then the Reinsured may, subject to thirty days' written notice (and without regard to the last paragraph of Article 4), require that such Subscribing Reinsurer fund its share of Reserves as provided below.

As regards Covered Risks, the Reinsured agrees that when it-files its reserves with the insurance regulatory authority or sets up reserves on its books, including reserves for outstanding Ultimate Net Loss or unearned premium (including reserves for any claims or amounts that have been incurred but not reported) (collectively "Reserves"), it will forward to the Reinsurer a statement showing the proportion of the Reserves applicable to the Reinsurer. The Reinsurer shall fund its share of such Reserves.

When funding by a Letter of Credit, the Reinsurer agrees to apply for and secure timely delivery to the Reinsured of a clean, irrevocable and unconditional Letter of Credit issued by a bank and containing provisions acceptable to the Reinsured and the insurance regulatory authorities having jurisdiction over the Reinsured-in an amount equal to: the Reinsurer's proportion of the Reserves, less the value of any accrued reinstatement premium that would be due, and remains unpaid, under the provisions of Article 8 hereof . Such Letter of Credit shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless ninety (90) days prior to any expiration date, the issuing bank shall notify the Reinsured by certified or registered mail that the issuing bank elects not to consider the Letter of Credit extended for any additional period in which case the Subscribing Reinsurer shall secure replacement funding pursuant to the terms of this Article.

Unless otherwise provided for in a separate Trust Contract, the Reinsurer and Reinsured agree that the Letters of Credit provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Reinsured or any successor, by operation of law, of the Reinsured including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Reinsured for the following purposes:

- a) to reimburse the Reinsured for the Reinsurer's payment-obligations under this Contract which-are due under the terms of this Contract and have not been otherwise paid;
- b) to refund-any sum-in excess of the actual amount required to pay the Reinsurer's obligations under this Contract;
- c) to fund an account with the Reinsured for the Reinsurer's payment obligations under this Contract. Such cash deposit shall be held in an interest bearing account separate from the Reinsured's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer;

In the event the amount drawn by the Reinsured on any Letter of Credit is in excess of the actual amount determined to be due, the Reinsured shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Reinsured or the Reinsurer.

The issuing bank shall have no responsibility whatsoever concerning the propriety of withdrawals made by the Reinsured or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Reinsured.

At its discretion, on a periodic basis, but never more frequently than quarterly, the Reinsured shall prepare a specific statement of the Reinsurer's obligations under this Contract, for the sole purpose of amending the Letter of Credit, in the following manner:

- a) If the statement shows that the Reinsurer's payment obligations under this Contract exceed the balance of credit as of the statement date, the Reinsurer shall, within thirty (30) days after receipt of notice of such excess, secure delivery to the Reinsured of an amendment to the Letter of Credit increasing the amount of credit by the amount of such difference.
- b) If, the statement shows that the Reinsurer's payment obligations under this Contract are less than the balance of credit as of the statement date, the Reinsured shall, within thirty (30) days after receipt of written request from the Reinsurer, release such excess credit by accepting an amendment to the Letter of Credit reducing the amount of credit available by the amount of such difference.

ARTICLE 15

CONFIDENTIALITY

- A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Reinsured, whether directly or through an authorized agent, in connection with the placement and execution of this Contract ("**Confidential Information**") are proprietary and confidential to the Reinsured. Confidential Information shall not include documents, information or data that the Reinsurer can show:
1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;
 2. have been lawfully received from a third person without an obligation of confidentiality; or
 3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.
- B. Absent the written consent of the Reinsured, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies, except:
1. when required by retrocessionaires of the business ceded to this Contract;
 2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition;
 3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business; or
 4. when required by attorneys or arbitrators in connection with an actual or potential dispute hereunder.
- Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.
- C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Reinsured with written notice of such anticipated release or disclosure at least 10 days prior to such release or disclosure, if possible, and, otherwise, as soon as possible. The Reinsurer also agrees to use its best efforts to assist the Reinsured in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 16

COMMUTATION

A. No Claim Bonus Commutation

In the event that no claims have been paid by the Reinsurer pursuant to this Contract, then, within 30 days of the Expiration Date of this Contract, the Reinsured may elect to commute this Contract in exchange for a 15% return of the premium paid pursuant to Article-7. Upon payment of the 15 % of the premium paid pursuant to Article 7, the Reinsurer shall be relieved of all further liability under this Contract both in respect of known or unknown Losses.

B. Commutation option beyond 30 days of the Expiration Date

Beginning on the thirty first day following the Expiration Date and at any time thereafter, the Reinsured and Reinsurer may agree to commute any unsettled Losses Discovered. Payment by a Subscribing Reinsurer of its proportion of any agreed commutation amount, less any reinstatement premium received, shall relieve that Subscribing Reinsurer of all further liability under this Contract both in respect of known or unknown Losses.

ARTICLE 17

CURRENCY

Where the word "Dollars" and/or the sign "\$" appear in this Contract, they shall mean United States Dollars.

ARTICLE 18

TAXES

In consideration of the terms under which this Contract is issued, the Reinsured undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

ARTICLE 19

FEDERAL EXCISE TAX

As to those Subscribing Reinsurers, excepting Underwriters at Lloyd's, London and other subscribing Reinsurer exempt from Federal Excise Tax, who are domiciled outside the United States of America.:

- A. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.
- B. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Reinsured or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 20

ERRORS AND OMISSIONS

The Reinsurer shall not be relieved of liability because of an error or accidental omission of the Reinsured in reporting any claim, demand, suit, proceeding arising out of a Covered Risk, Loss, or any Covered Risk under this Contract, provided that the error or omission is rectified promptly after discovery. However, in no event shall this Article override the provisions as set forth in Article 3 of this Contract.

ARTICLE 21

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from one party to the other arising under this Contract whether acting as Reinsurer or Reinsured. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law.

ARTICLE 22

INSOLVENCY & ALTERNATE PAYEE

- A. In the event of insolvency and the appointment of a conservator, liquidator, or statutory successor of the Reinsured, the reinsurance shall be payable to the conservator, liquidator, or statutory successor on the basis of claims allowed against the insolvent Reinsured by any court of competent jurisdiction or by any conservator, liquidator, or statutory successor of the Reinsured having authority to allow such claims, without diminution because of that insolvency, or because the conservator, liquidator, or statutory successor has failed to pay all or a portion of any claims. Payments by the Reinsurer as set forth in this article shall be made directly to the Reinsured or to its conservator, liquidator, or statutory successor, except where this Contract specifically provides another payee of such reinsurance in the event of the insolvency of the Reinsured. The conservator, liquidator, or statutory successor of the Reinsured shall give written notice of the pendency of a claim against the Reinsured indicating the Covered Risk, within a reasonable time after such claim is filed and the Reinsurer may interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses which it may deem available to the Reinsured or its conservator, liquidator, or statutory successor. The expense thus incurred by the Reinsurer shall be payable subject to court approval out of the estate of the insolvent Reinsured as part of the expense of conservation or liquidation to the extent of a proportionate share of the benefit which may accrue to the Reinsured in conservation or liquidation, solely as a result of the defense undertaken by the Reinsurer.
- B. If the Reinsured becomes insolvent or is taken under supervision by the jurisdiction of its domicile then the Reinsurer may, subject to the terms and conditions of this Contract and in accordance with the Insolvency Article herein, indemnify the party who, but for the insolvency or supervision, would be entitled to payment by the Reinsured on a Covered Risk, as the alternate payee.

The Reinsurer will not pay more than once for the same Ultimate Net Loss covered under this Contract.

ARTICLE 23

GOVERNING LAW

This Contract shall be governed by and interpreted in accordance with the law of the State of New York, United States of America.

ARTICLE 24

SERVICE OF SUIT

- A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.
- B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in Article 25 of this Contract. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the requirements of Article 25 concerning the resolution of disputes arising out of this Contract.
- C. In the event of the failure of the Reinsurer to pay any amount claimed to be due hereunder, the Reinsurer consents and agrees to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction-within the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. Once the appropriate court is selected, whether such Court is the one originally chosen by the Reinsured and accepted by Reinsurer or is determined by removal, transfer, or otherwise, the Reinsurer shall comply with all requirements necessary to give said court jurisdiction and shall abide by the final decision of such Court or of any appellate court in the event of an appeal.
- D. Service of process in such suit may be made upon Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the applicable Interests and Liabilities Agreement attached hereto. The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.
- E. The Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Reinsured or any beneficiary hereunder arising out of this Contract, and each Subscribing Reinsurer hereby designates any party identified in Paragraph D of this Article as the person to whom the said officer is authorized to mail such process or a true copy thereof. Notwithstanding the foregoing, one copy of the served documents must be submitted by registered mail to Mendes & Mount, 750 Seventh Avenue, New York, New York 10019-6829.

ARTICLE 25

ARBITRATION

Any and all disputes relating to or arising out of the negotiation, execution, implementation, meaning, construction, performance, and/or breach of this Agreement, or the relationship among the parties created thereby, shall be submitted for arbitration by three arbitrators. One arbitrator shall be chosen by the Reinsurer, and one shall be chosen by the Reinsured. If either party fails to choose an arbitrator within thirty (30) days after receiving the written request of the other party to do so, the President of the American Arbitration Association (the "President of the AAA") shall choose the arbitrator for the Non-Appointing Party.

The third arbitrator shall be chosen by the other two arbitrators within ten (10) days after they have been appointed. If the two arbitrators cannot agree upon a third arbitrator, each arbitrator shall nominate three persons of whom the other shall reject two. The third arbitrator shall then be chosen from the two remaining nominees by the President of the AAA.

The arbitrators shall be impartial, disinterested, and independent present or former officials of property or casualty insurance or reinsurance companies or Underwriting Members of Lloyd's.

The party requesting arbitration (the "Petitioner") shall submit its brief to the arbitrators within thirty (30) days after notice of the selection of the third arbitrator. Upon receipt of the Petitioner's brief, the other party (the "Respondent") shall have thirty (30) days to file a reply brief. On receipt of the Respondent's brief, the Petitioner shall have twenty (20) days to file a rebuttal brief. Respondent shall have twenty (20) days from the receipt of Petitioner's rebuttal brief to file its rebuttal brief. The arbitrators may extend the time for filing of briefs at the request of either party.

The arbitrators are relieved from judicial formalities and, in addition to considering the rules of law and the customs and practices of the insurance and reinsurance business shall make their award with a view to effecting the intent of this Contract. The decision of the majority shall be final and binding upon the parties. Each party shall bear the expenses of its chosen arbitrator and shall jointly and equally share with the other the expenses of the third arbitrator and of the arbitration.

The Subscribing Reinsurers shall share 50% of these costs in proportion to their participation as per the Interest and Liabilities Agreement attached and forming part of this Contract. The arbitration shall be held at the time and places agreed upon by the arbitrators and the laws of the State of New York shall govern the arbitration.

ARTICLE 26

ACCESS TO RECORDS

Upon five business days' notice, the Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Reinsured to inspect, examine, audit, and verify any of the records relating to Covered Risks, accounting or claim files (the "Records") relating to business reinsured under this Contract during regular business hours. This right shall be exercisable during the Term of this Contract or after the expiration of this Contract. Notwithstanding anything in this Article, the Reinsurer shall not have any right of access to the Records of the Reinsured if it is not current in all undisputed payments due the Reinsured.

ARTICLE 27

ENTIRE AGREEMENT

This Contract constitutes the entire agreement between the Reinsured and the Reinsurer with respect to the business covered by this Contract, except for separate agreements expressly disclosed within the Contract or in an exhibit incorporated by reference, including any information supplied in the formulation of the Contract.

ARTICLE 28

INTERMEDIARY

It is hereby noted and agreed that Tysers Insurance Brokers Limited, 1st Floor, 70 Fenchurch Street, London EC3M 4BS and Tysers Insurance Brokers Inc, 1 State Street Plaza, New York, New York 10004 are hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss adjustment expense, salvages and loss settlements) relating thereto shall be transmitted to the Reinsured or the Reinsurer through Tysers Insurance Brokers, whether in London or New York. Payments by the Reinsured to the Intermediary shall be deemed to constitute payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed to constitute payment to the Reinsured only to the extent that such payments are actually received by the Reinsured.

ARTICLE 29

AMENDMENT OF COVERED RISKS

The Reinsured may amend, commute, novate, or otherwise modify any Covered Risk without the prior written consent of the Reinsurer, except to the extent that any such action would be reasonably likely to have a materially adverse effect on the Reinsurer.

ARTICLE 30

WAIVER

There shall be no waiver of any breach of the terms of this Contract, nor waiver of any right, remedy, power or privilege conferred by this Contract, except as notified in writing by the party waiving to the other party, or as otherwise expressly provided for in this Contract. Notwithstanding this, and for the avoidance of doubt:

- 1) any waiver of a breach of any term of this Contract or of any default hereunder shall not be deemed a waiver of any subsequent breach of that term or default and shall in no way effect a waiver of any other term of this Contract;
- 2) no party's failure to exercise and/or delay exercising any right, remedy, power or privilege of that party under this Contract shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any right, remedy, power or privilege. In addition, no course of dealing between the parties shall be construed or operate as a waiver of any right, remedy, power, or privilege hereunder. The rights and remedies provided by this Contract are cumulative and are not exclusive of any rights or remedies provided by law.

ARTICLE 31

ASSIGNMENT AND AMENDMENT

This Contract may not be assigned by a party without the prior written consent of the other parties. This Contract may be amended only by a written instrument executed by each of the parties.

ARTICLE 32

SEVERABILITY

To the extent that this Contract may be in conflict with any applicable law or regulation, this Contract shall be amended, at the mutual agreement of both the Reinsured and the Reinsurer, and, to the extent possible, to comply with such law and regulation. If any term or provision of this Contract shall be found by a court of competent jurisdiction to be illegal or otherwise unenforceable, the same shall not invalidate the whole of this Contract, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly preserving to the fullest permissible extent the intent and agreements of the parties set forth herein.

ARTICLE 33

COUNTERPARTS

This Contract may be executed in any number of counterparts, but will not be effective until each party has executed at least one counterpart. Each counterpart will constitute an original of this Contract, but all the counterparts will together constitute but one and the same instrument. All signatures of the parties to this Contract may be transmitted by facsimile or pdf, and such facsimile or pdf will, for all purposes, be deemed to be the original signature of such party whose signature it reproduces and will be binding upon such party.

ADDENDUM "A"

NUCLEAR INCIDENT EXCLUSION

- (1) *This reinsurance does not cover any loss or liability accruing to the Reassured as a member of, or subscriber to, any association of insurers or reinsurers formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such member, subscriber or association.*
- (2) *Without in any way restricting the operation of paragraph (1) of this Clause it is understood and agreed that for all purposes of this reinsurance all the original policies of the Reassured (new, renewal and replacement) of the classes specified in Clause II of this paragraph (2) from the time specified in Clause III in this paragraph (2) shall be deemed to include the following provision (specified as the Limited Exclusion Provision):*

Limited Exclusion Provision.*

- I. It is agreed that the policy does not apply under any liability coverage, to (injury, sickness, disease, death or destruction (bodily injury or property damage with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability.
 - II. Family Automobile Policies (liability only), Special Automobile Policies (private passenger automobiles, liability only), Farmers Comprehensive Personal Liability Policies (liability only), Comprehensive Personal Liability Policies (liability only) or policies of a similar nature; and the liability portion of combination forms related to the four classes of policies stated above, such as the Comprehensive Dwelling Policy and the applicable types of Homeowners Policies.
 - III. The inception dates and thereafter of all original policies as described in II above, whether new, renewal or replacement, being policies which either (a) become effective on or after 1st May, 1960, or (b) become effective before that date and contain the Limited Exclusion Provision set out above; provided this paragraph (2) shall not be applicable to Family Automobile Policies, Special Automobile Policies, or policies or combination policies of a similar nature, issued by the Company ,until 90 days following approval of the Limited Exclusion Provision by the Governmental Authority having jurisdiction thereof.
- (3) Except for those classes of policies specified in Clause II of paragraph (2) and without in any way restricting the operation of paragraph (1) of this Clause, it is understood and agreed that for all purposes of this reinsurance the original liability policies of the Reassured (new, renewal and replacement) affording the following coverages:

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability, including Massachusetts Motor Vehicle or Garage Liability)

shall be deemed to include, with respect to such coverages, from the time specified in Clause V of this paragraph (3), the following provision (specified as the Broad Exclusion Provision):

Broad Exclusion Provision.*

It is agreed that the policy does not apply:

- I. Under any Liability Coverage, to (injury, sickness, disease, death or destruction (bodily injury or property damage

- (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to (immediate medical or surgical relief, (first aid, to expenses incurred with respect to (bodily injury, sickness, disease or death (bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage to (injury, sickness, disease, death or destruction (bodily injury or property damage resulting from the hazardous properties of nuclear material, if
- (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed there from;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) the (injury, sickness, disease, death or destruction (bodily injury or property damages out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories, or possessions or Canada, this exclusion (c) applies only to (injury to or destruction of property at such nuclear facility (property damage to such nuclear facility and any property thereat.
- IV. As used in this endorsement:
- "Hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or byproduct material; "source material," "special nuclear material," and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof; "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "nuclear facility" means
- (a) any nuclear reactor,
 - (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
 - (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such

equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

(With respect to injury to or destruction of property, the word "injury" or "destruction" ("property damage" includes all forms of radioactive contamination of property).

- V. The inception dates and thereafter of all original policies affording coverages specified in this paragraph (3), whether new, renewal or replacement, being policies which become effective on or after 1st May, 1960, provided this paragraph (3) shall not be applicable to

(i) Garage and Automobile Policies issued by the Company, or

(ii) statutory liability insurance required under Chapter 90, General Laws of Massachusetts, until 90 days following approval of the Broad Exclusion Provision by the Governmental Authority having jurisdiction thereof.

- (4) Without in any way restricting the operation of paragraph (1) of this Clause, it is understood and agreed that paragraphs (2) and (3) above are not applicable to original liability policies of the Reassured in Canada and that with respect to such policies this Clause shall be deemed to include the Nuclear Energy Liability Exclusion Provisions adopted by the Canadian Underwriters' Association of the Independent Insurance Conference of Canada.