

DEPOSITORY AGREEMENT

THIS AGREEMENT made this _____ day of _____, 20_____, by and between the Director of the Division of Insurance, Department of Commerce, Community, and Economic Development of the State of Alaska, and his/her successor or successors (“DIRECTOR”), party of the first part; _____, financial institution authorized to act as custodian (“CUSTODIAN”), party of the second part; and _____ an entity organized under the laws of the State of _____ with its principal place of business in _____, _____ (“DEPOSITOR”), party of the third part.
(City) (State)

WITNESSETH:

WHEREAS, the DEPOSITOR will deposit securities and from time to time in the future make further deposits of cash or public obligations as administered under AS 21.24.010 - .130 in accordance with one or more of the following provisions of the Insurance Code of the State of Alaska:

- STATUTORY (AS 21.09.090) \$_____ for the protection of policyholders, or policyholders and creditors.
- TITLE INSURER (AS 21.66.010) \$_____ for the protection of policyholders or their beneficiaries.
- U.S. BRANCH (AS 21.09.310) \$_____ for the exclusive benefit, security, and protection of policyholders, or policyholders and creditors.
- RETALIATORY (AS 21.09.270) \$_____
- TITLE GUARANTY FUND (AS 21.66.020) \$_____.
- VIATICAL SETTLEMENT PROVIDER (3 AAC 31.315) \$_____ for insureds, viators, and the state.
- MEWA (AS 21.85.030) \$_____ for the protection of policyholders and claimants.

WHEREAS, for the convenience of the parties, first party has duly designated second party as a depository to receive and hold such deposits, and second party has agreed to act as same,

NOW, THEREFORE, it is agreed between the parties as follows:

1. DEPOSITOR shall **maintain the fair market value of the deposit** in an amount not less than the amount set forth by the appropriate provisions of the Insurance Code. The DEPOSITOR hereby transfers to the CUSTODIAN for the DIRECTOR the eligible securities described on Form 08-235, as it may from time to time be amended. Certificates for eligible securities deposited shall be delivered in bearer form or with transfer powers duly executed with appropriate signature guarantees and corporate resolution. All such securities and/or cash in the deposit shall be fully paid and non-assessable and at no time be subject to any right, claim, security interest, lien or claim of any kind or right of set-off in favor of the DEPOSITOR, the CUSTODIAN or any person claiming through the DEPOSITOR or the CUSTODIAN and such parties hereby irrevocably waive their respective rights to assert such claims against the deposit.

2. DEPOSITOR, if solvent and in compliance with the laws of the State of Alaska, may collect and dispose of all interest dividends and other income received by the CUSTODIAN on the deposited securities. DEPOSITOR shall pay all taxes, assessments, or other charges with respect to such securities from income payments or distribution. CUSTODIAN shall promptly remit to the DEPOSITOR all payments or distributions of cash or property which are declared, granted, or made on or with respect to the deposited securities.

3. CUSTODIAN shall hold deposit in an account in the name of the DEPOSITOR, to be designated "Division of Insurance Depository Account." CUSTODIAN shall be accountable to the DIRECTOR for the safekeeping of the securities and cash held by it under this Agreement. A record shall be kept by the CUSTODIAN containing the description and amount of such deposits, and of all interest and principal payments. CUSTODIAN shall mail a written report within 30 days after December 31 of each year to the DIRECTOR with a duplicate copy to the DEPOSITOR. DEPOSITOR and DIRECTOR shall have the right at any time to examine the records of CUSTODIAN as to such deposits and to verify the actual existence thereof.

4. CUSTODIAN shall furnish to DEPOSITOR no less than monthly an electronic or paper report of holdings containing information reasonably required by DEPOSITOR.

5. CUSTODIAN shall provide to DEPOSITOR CUSTODIAN's trust committee's electronic or paper annual reports of its review of DEPOSITOR's account.

6. CUSTODIAN shall maintain the deposit separate from any other State of Alaska accounts or any agency thereof or the DIRECTOR with the CUSTODIAN. CUSTODIAN shall hold security certificates for the DEPOSITOR separately from security certificates owned by CUSTODIAN or by other customers of the CUSTODIAN. CUSTODIAN shall segregate the assets physically, as well as on its books and records, except when the assets are held in the Federal Reserve Book Entry System or a Depository Trust Company.

7. A security held indirectly by CUSTODIAN or in a clearing corporation shall be separately identified on the CUSTODIAN's official records as being owned by the DEPOSITOR. Records shall identify which securities are held by CUSTODIAN or by its agent and which securities are in a clearing corporation. If in a clearing corporation, records shall identify 1) where the security is, 2) the name of the clearing corporation, and 3) if through an agent, the name of the agent.

8. A security that is registered shall be registered in the name of the DEPOSITOR or its nominee, in the name of the CUSTODIAN or its nominee, or if in a clearing corporation, in the name of the clearing corporation or its nominee.

9. A security shall be held subject to the instructions of DEPOSITOR, except that a security used to meet the deposit requirements of AS 21 that is under control of DIRECTOR may not be withdrawn by the DEPOSITOR without approval of DIRECTOR under the requirements of AS 21.24

10. CUSTODIAN shall indemnify the insurer for losses to the deposit resulting from the negligence or dishonesty of the CUSTODIAN's officers, employees, or agents, or caused by burglary, robbery, holdup, theft, or mysterious disappearance, including loss by damage or destruction. In the event of a loss, an asset or security will be promptly replaced or the value of the asset or security and the value of a loss of rights or privileges resulting from the loss will be promptly replaced. (AS 21.21.410)

11. CUSTODIAN shall be paid by the DEPOSITOR a reasonable fee charged for services rendered as provided in this agreement. CUSTODIAN may not offset this compensation against the deposit. CUSTODIAN agrees to hold DIRECTOR harmless from any liability for fees and expenses of the CUSTODIAN in services rendered.

12. Whenever any of such deposits are made or withdrawn under this agreement, the parties shall each execute a deposit or withdrawal request on a form prescribed by the DIRECTOR, except when required or permitted by law such securities shall be withdrawn upon request of DIRECTOR only. CUSTODIAN shall send or cause to be sent to DEPOSITOR an electronic or paper confirmation of each transfer to or from this account.

13. If an appropriate officer of the DEPOSITOR gives written instructions to the CUSTODIAN, then a representative of an appropriate regulatory body, an independent accountant selected by DEPOSITOR, or an officer or employee of the DEPOSITOR is entitled to examine CUSTODIAN's records relating to this account on the premises of CUSTODIAN during CUSTODIAN's regular business hours.

14. CUSTODIAN or its agent shall send to DEPOSITOR reports received from a clearing corporation on their respective systems of internal control and reports that DEPOSITOR may reasonably request, prepared by outside auditors on CUSTODIAN's or agent's internal accounting control over deposited securities.

15. CUSTODIAN shall maintain records sufficient to determine and verify information relating to deposited security that may be reported on DEPOSITOR's annual statement required under AS 21.09.200 and supporting schedules and information required in a financial examination or audit of DEPOSITOR.

16. CUSTODIAN shall provide, upon written request from an appropriate officer of DEPOSITOR, appropriate affidavits, substantially in the form under 3 AAC 21.875, 3 AAC 21.880, or 3 AAC 21.885 with respect to deposited securities.

17. CUSTODIAN shall secure and maintain insurance protection in an adequate amount covering the duties and activities as a CUSTODIAN for DEPOSITOR's assets and in an amount in compliance with CUSTODIAN's state or federal regulator.

18. A CUSTODIAN that is a broker—dealer shall secure and maintain insurance protection for DEPOSITOR's deposited securities in excess of that provided by the Secured Investor Protection Corporation and in an amount equal to or greater than the market value of DEPOSITOR's deposited securities.

19. CUSTODIAN will not be liable for failure to take an action required under this agreement if taking the action is delayed by 1) war, whether declared or not, including existing wars; 2) revolution, insurrection, riot, or civil commotion; 3) an act of God; 4) accident, fire, or explosion; 5) labor stoppages, strikes, or other differences with employees; 6) laws, regulation, orders, or other acts of any governmental authority; or 7) any other cause beyond CUSTODIAN's reasonable control.

20. This Agreement shall not be assignable without the prior written consent of the other parties. Subject to the foregoing sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement shall not be changed except by an instrument in writing signed by all of the parties. This Agreement shall be governed by the laws of the State of Alaska.

21. This Agreement is entered into without prejudice to the right of the DIRECTOR to exercise any powers conferred upon him/her by law in the exercise of this statutory responsibility.

22. DIRECTOR designates the "Financial Examiner" as the division employee authorized to act on his behalf.

23. This agreement may be cancelled by any one of the contracting parties upon ninety (90) days written notice to all other parties of intention to do so, and written approval from the DIRECTOR. Upon termination the CUSTODIAN shall release all such deposits in accordance with the DIRECTOR'S instructions.

Executed this _____ day of _____, 20_____.

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
DIRECTOR or designee

SEAL

By: _____
(Signature)

(Print Name)

(Title)

(Date)

CUSTODIAN: _____
(Financial Institution Name)

SEAL

By: _____
(Signature)

(Print Name)

(Title)

(Date)

DEPOSITOR: _____
(Entity Name)

SEAL

By: _____
(Signature)

(Print Name)

(Title)

(Date)

Agreement becomes effective upon execution by all three parties.