

Safekeeping Account # _____

JOINT CUSTODIAL AGREEMENT
(Insurance Company and Indiana Department of Insurance)

This Custodial Agreement (referred to hereinafter as "**Agreement**"), dated this day of ,20_____, by and between _____

(referred to hereinafter as "**Bank**"); and _____ (referred to hereinafter as "**Depositor**"); and the Department of Insurance (referred to hereinafter as "**Department**"), acting by and through the Commissioner of Insurance of the State of INDIANA or his delegates (referred to hereinafter as "**Commissioner**").

AUTHORITY:

This Agreement is made under authority of I.C.27-1-20-8(c), which states:
"(c) Any Indiana law requiring an insurance company operating under the laws of Indiana to deposit assets with the department shall be deemed complied with if such deposit is made pursuant to a **written agreement** between the insurance company and any bank, trust company or a safety deposit company and **approved by the commissioner which limits withdrawals to those sanctioned and approved by the department**. Deposits so made shall be credited by the department as deposits in its possession on the basis of the insurance company's affidavit describing such deposits as to amount and nature."

WITNESSETH:

WHEREAS, Depositor desires to deposit certain "Securities" (as hereinafter defined) with Bank in conformity with the Indiana Code, Title 27, as amended, and

WHEREAS, Depositor and Department intend this Agreement to be in compliance with all such applicable Indiana laws;

NOW, THEREFORE, the parties hereto agree as follows:

1. This Agreement supersedes any and all prior agreements by and between the parties hereto with regard to the custody and safekeeping of Securities and other property and items.
2. The custodial account for this Agreement, whose assigned number is shown above, is to be an account separate from any other account(s) Depositor may have with Bank. This custodial account is to be in joint-name, with Depositor's name first, followed by Department's name with Department's address. Depositor's TIN (Tax Identification Number) will apply to this custodial account.
3. Bank shall receive from or on behalf of Depositor for safekeeping such documents, contracts, stocks, bonds, and other property (referred to hereinafter as "**Securities**") as shall, from time to time, be deposited by Depositor pursuant to the aforementioned Indiana laws; provided, however, that Bank shall have no obligation to ensure that Securities and other property deposited in this custodial account are in the amount or of the kind required to be deposited by Depositor in accordance with Indiana law and no obligation to ensure compliance by Depositor with such law; or to perform any act other

than to act as the custodian of the Securities deposited with Bank and to perform the duties which Bank has agreed to perform by the express terms and on the express conditions set forth in this Agreement.

- 3A. For purpose of this Agreement, any Securities now held by Bank for Depositor for safekeeping under a prior custodial or safekeeping agreement with Bank and Department, shall be deemed to have been deposited hereunder. Custody by Bank of Securities shall be deemed to begin immediately upon receipt by Bank of any such Securities and shall continue until Bank shall have surrendered such Securities to, or in accordance with the instructions or directions of, Depositor or Commissioner, as herein provided.
4. Bank shall keep the Securities received by it hereunder separate and distinct from Securities owned by itself or others, to the end that each and every item received by it hereunder shall at all times be identified and identifiable as the property held for Depositor; provided, however, that Bank may place Securities of Depositor into a securities depository or a safekeeping facility operated either by the Federal Reserve System, by a member of the Federal Reserve System, or by any other agency or instrumentality of the United States government, or with a "clearing corporation" as provided by Indiana law; and Bank may appoint or employ a nominee to register and hold the Securities in its name. Said nominee shall deal with such Securities only as requested by Bank in accordance with the instructions of Depositor or Commissioner as provided herein.
- 4A. Deposits by Bank into a securities depository, safekeeping facility, or clearing corporation may be in book entry form or such other form as Bank may deem appropriate. In making any such deposits, Bank shall at all times keep complete and accurate records to the end that all Securities of Depositor may be identifiable (a) by the issuer or obligor of each Security; (b) by the issue and distinguishing characteristics (such as maturity date, interest rate, CUSIP number); (c) by the depository, safekeeping facility, or clearing corporation where each security is placed; and (d) by the nominee name(s) in which the Securities may be held. Placement of Depositor's Securities by Bank into a securities depository, safekeeping facility, or clearing corporation or into the name of Bank's nominee shall neither augment nor diminish Bank's responsibilities and rights under this Agreement.
5. In the event that Depositor is required to substitute Securities held in this custodial account, Depositor shall first deposit the Securities to be added to this custodial account, pursuant to the provisions of paragraph 3. herein, and only after making such deposit shall Depositor seek to withdraw Securities held in this custodial account. Any such withdrawal shall be subject to the provisions of paragraphs 6. and 9A. herein and shall be **subject to the prior written approval of Commissioner**. Bank shall be under no obligation to make any purchase, sale or exchange of any Securities or other property held in this custodial account.
6. Items held in custody by Bank under this Agreement may be **withdrawn only upon written approval by Commissioner**. Subject to the provisions of paragraph 9A, herein, Commissioner shall have the right, exercisable in his/her own absolute discretion, to withdraw into his/her actual or constructive possession (and Bank shall have the corresponding obligation and liability to deliver to Commissioner) any items held

hereunder.

7. Depositor shall, from time to time, or at the request of Bank, furnish Bank with a certificate or certificates reflecting the names, official signatures, and authority of those authorized to act for it hereunder; and Bank shall be fully protected in relying upon the latest such certificate or certificates on file with it from time to time.
8. Commissioner shall, from time to time, or at the request of Bank, furnish Bank with a certificate or certificates reflecting the names, official signatures, and authority of those authorized to act for and on behalf of Commissioner, and Bank shall be fully protected in relying upon the latest such certificate or certificates on file with it from time to time.
9. A separate safekeeping receipt for each item received by Bank hereunder shall be issued by Bank directly to Department. A photostatic or other acceptable copy marked "Duplicate" of such safekeeping receipt shall be delivered by Bank to Depositor. The safekeeping receipt shall show the name and number of the custodial account, a description of the security held including maturity date, par value, interest rate, and CUSIP number if any.
- 9A. Withdrawal of any item held in custody by Bank under this Agreement shall be permitted only upon delivery by Commissioner of its original covering safekeeping receipt. However, if such original safekeeping receipt is not available, the withdrawal of an item held in custody under this Agreement may be made upon the written direction of Commissioner.
- 9B. Commissioner shall also deliver promptly all safekeeping receipts covering matured or collected items the proceeds of which shall have been credited to this custodial account or, **subject to prior written approval of Commissioner**, be applied or disbursed as directed in writing by Depositor.
10. In the event of the death or termination of authority, by operation of law or otherwise, of any person authorized to act hereunder for Depositor or Department; Depositor and Department, to induce Bank to act hereunder, agree to hold Bank harmless from any liability incurred by action reasonably taken by Bank prior to receipt of written notice from Depositor or Commissioner of such death or termination of authority.
11. Bank shall furnish to Depositor and Department quarterly statements for this custodial account, listing all Securities held at the end of: March, June, September, and December of each year. Upon request by either Depositor or Commissioner, Bank will provide Depositor **and** Department with monthly statements for this custodial account, listing all Securities held at the end of each month. The December year-end statement shall be signed, in original or facsimile form, by an authorized officer of Bank.
- 11A. Bank shall furnish to Department a monthly listing of all maturing Securities held hereunder, which list may be provided in the periodic statements required to be provided by Bank under paragraph 11. herein, or in a separate report. The list shall be furnished on or before the first day of each month for the Securities maturing in the next succeeding month and shall indicate the Depositor, a description of each maturing Security including maturity date, par value, interest rate, CUSIP number if any, and the safekeeping receipt number if any of each such Security.

12. Depositor and/or Commissioner shall have the right to examine Securities hereunder which are located within Bank in physical form (certificated) at reasonable intervals and at reasonable times, provided that a representative of Bank shall accompany Depositor and/or Commissioner upon such examination; and further provided, that if such examination is made solely by Depositor, its auditors, or other representatives, **the written approval of Commissioner shall first have been obtained** and a copy thereof delivered to Bank.
- 12A. If Depositor and/or Commissioner desire(s) to exercise their right to examine physical (certificated) Securities held in a securities depository, a safekeeping facility, or a clearing corporation appropriate notice shall be given to Bank, and Bank shall have within three (3) business days after receipt of such notice to produce such Securities for examination, conducted in accordance with paragraph 12 herein.
- 12B. With respect to Securities hereunder in book entry form, Depositor and/or Commissioner shall have the right to inspect Bank's books and records at reasonable times and intervals.
13. Bank shall present all maturing bonds and coupons for collection, and is authorized to receive payment on other items in accordance with their terms. All PRINCIPAL funds so collected shall be credited to this custodial account. All INTEREST or DIVIDENDS so collected, **unless Commissioner notifies Bank and Depositor in writing otherwise**, shall be credited to any demand deposit account (DDA) or other account of Depositor on the books of Bank as Depositor may direct; or may otherwise be disposed of as Depositor shall, from time to time, direct Bank in writing.
- 13A. Bank is authorized to sign any declarations, affidavits, certificates of ownership or other documents which may be required from time to time with respect to coupons, registered interest, dividends or other income on the Securities, and Depositor agrees to reimburse, indemnify and hold Bank harmless of and from any liability, loss, claim, damage or expense which may arise or to which Bank may be subjected by reason of the execution of any such documents.
14. Bank agrees to exercise reasonable efforts to effect collection of Securities callable, puttable, or otherwise redeemable prior to maturity upon receipt of written notification thereof from an authorized source, including but not limited to Depositor, issuer, and/or clearing corporation. Depositor assumes responsibility for verifying for Bank and Department on a timely basis in writing such calls, puts, or redemptions prior to maturity and Bank shall bear no responsibility for monitoring or identifying those Securities absent notification.
15. Subject to the provisions of paragraph 6. herein, Bank may, from time to time, in its sole discretion, give credit or remit for maturing or called items prior to having received final payment therefore. All such credits or remittances shall be given or made subject to final payment of the items to Bank; and Bank reserves the right to recover the amount of any such conditional credit or remittance upon the return of any item unpaid, either by charging this custodial account or any other account of Depositor on its books or by demanding immediate repayment from Depositor. Bank shall not be held liable for the collection of any items for which such a conditional credit or remittance has been given by Bank pursuant to this paragraph.

16. Bank shall be reimbursed by Depositor for postage, shipping charges, transfer taxes, and all other expenses incurred by it in the handling of this custodial account, and Bank shall bill Depositor for these items at reasonable intervals. For its services in the handling of this custodial account, Bank shall receive such compensation as established by Bank from time to time in its schedule of service charges.
17. Bank shall give to the Securities in its custody the same degree of care and protection which it gives to its own property, and Depositor and Department agree that Bank shall not be liable for loss or damage caused directly or indirectly by invasion, insurrection, Act of God, war, riot, civil commotion, or the act, order, or decree of any governmental, military, naval, or usurped power, or other similar causes beyond the Bank's control.
- 17A. Bank is obligated to indemnify Depositor for any loss of securities of Depositor in Bank's custody occasioned by the negligence or dishonesty of Bank's officers or employees, or burglary, robbery, holdup, theft, or mysterious disappearance, including loss by damage or destruction; and that in the event that there is a loss of the securities for which Bank is obligated to indemnify Depositor, the securities shall be promptly replaced or the value of the securities and the value of any loss of rights or privileges resulting from said loss of securities shall be promptly replaced.
18. Depositor **only with prior written approval of Commissioner**, Bank, and Department, or any one of them may terminate this Agreement on thirty (30) days prior written notice to the others. Further, this Agreement may be amended from time to time by written agreement executed by all parties hereto. Upon termination of this Agreement for any reason, or in the event of liquidation, receivership, or bankruptcy of either Depositor or Bank, all Securities or other property held hereunder shall be surrendered and delivered to Department, in the absence of any instructions to the contrary from Commissioner. Depositor and Commissioner intend that creditors of Depositor or of Bank shall have no right to or claim against any such Securities or property. Bank shall be fully protected in delivering cash, Securities, or other property in accordance herewith, and the receipt by Commissioner of such cash, Securities, or other property from Bank shall operate as a full release of Bank from any and all further liability and responsibility hereunder.
19. All written authorizations, directions and notices to Bank under this Agreement must bear original signatures (no facsimiles), and shall be delivered or sent to the address of Bank appearing below and shall be deemed effective upon receipt. Bank is authorized to rely and act upon any such authorizations, directions, or notices received from Depositor or Commissioner if they otherwise comply with this Agreement. The addresses of the parties appearing below shall be deemed correct until written notice of change or correction is received by the other parties to this Agreement.
20. This Agreement shall be binding upon and be for the benefit of Depositor, Bank, and Department and their successors and/or assigns; and no other person, firm, corporation or other entity of any kind is authorized to rely upon nor is intended to benefit by any of the terms or conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Custodial Agreement the day and year first above written.

Bank's address:

(Name of Bank)

By: _____

(Printed Name & Title)

Attest: _____

(Printed Name & Title)

Depositor's address:

(Name of Depositor)

By: _____

(Printed Name & Title)

Attest: _____

(Printed Name & Title)

Indiana Department of Insurance
Department's address:
Attn: Financial Services Division
311 West Washington St., Suite 300
Indianapolis, IN 46204-2787

By: _____

Stephen W. Robertson
Commissioner of Insurance

Attest: _____

Roy Eft
Chief Financial Examiner
Financial Services Division

INDIANA DEPARTMENT OF INSURANCE

Dated _____

Attachment #1: "Joint Custodial Agreement" Information:

(complete name of insurance company)

Safekeeping Account# _____

* * * * *

Bank Information:

Name of bank _____

Mailing address _____

Street address _____

Contact person _____

(name) (title and department)

Telephone # _____ Email address _____

* * * * *

Insurance Company Information:

Mailing address _____

Street address _____

Contact person _____

(name) (title and department)

Telephone# _____ Email address _____