



DATE: January 5, 2018

TO OUR REINSURANCE CLIENTS,

SUBJECT: "A REMINDER REGARDING OFAC COMPLIANCE"

Head Office

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Dear Client,

As 2018 begins, we thought we'd take this opportunity to remind our clients of the requirement to comply with the U.S. Treasury Department's Office of Foreign Assets Control's ("OFAC") regulations. Some of our reinsurance agreements with you may already contain general "COMPLIANCE" or "OFAC" language; for those that do not, rather than amending each agreement, this letter will serve as a general statement of our understanding.

Optimum Re Insurance Company understands that your company has the necessary controls in place to be in compliance with all state and federal laws, regulations, judicial and administrative laws (including the sanction laws administered by OFAC). Likewise, Optimum Re Insurance Company has processes in place to be in compliance with all such state and federal laws, regulations, judicial and administrative laws as they pertain to a reinsurance company.

As such, it is understood that if a party to a reinsurance agreement discovers or receives information that a policy or coverage, which is part of the business reinsured under a reinsurance agreement, may insure or be owned, or in any way or right controlled by a Prohibited Person or a department, agency, branch, instrumentality, government-owned entity or representative of the government of a Sanctioned Country, as defined or identified by OFAC, that party shall promptly provide such information to the other party.

Neither party shall be required to take any action under a reinsurance agreement that would result in it being in violation of the law, which shall include requirements enforced by OFAC. The parties acknowledge and agree that a request for

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years

reimbursement of a claim by your company under a reinsurance agreement is not payable if such payment would cause Optimum Re Insurance Company to be in violation of the Law.

Optimum Re Insurance Company's payment or disbursement in relation to any reinsurance claim with respect to any such policy or coverage involving a Prohibited Person or Sanctioned Country shall be only as permitted by OFAC regulatory requirements or specific instruction from OFAC.

For further clarification of the U.S. Treasury's Office of Foreign Assets Control regulations, please refer to their website: <http://www.treas.gov/ofac>.

If you have any questions or would like discuss the content of this letter, please feel free to contact us.

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