REINSURANCE BROKERAGE AGREEMENT
ENDORSEMENT NO. 1

This ENDORSEMENT NO. 1 will be effective as of January 1, 2013 and will be made a part of the REINSURANCE BROKERAGE AGREEMENT entered into by and between AXIOM RE, INC., a Florida corporation and FULMONT MUTUAL INSURANCE COMPANY, a New York corporation.

IT IS AGREED, the PREAMBLE will be amended to read as follows:

> REINSURANCE BROKERAGE AGREEMENT (this "Agreement"), dated January 1, 2013, between Axiom Re, LP, a Florida limited partnership (hereinafter referred to as "Axiom") and Fulmont Mutual Insurance Company, a New York corporation (hereinafter referred to as "Fulmont").

ALL OTHER TERMS AND CONDITIONS OF THIS AGREEMENT REMAIN UNCHANGED.

IN WITNESS WHEREOF, this Endorsement No. 1 has been executed and delivered on behalf of each of the parties as of the date first written above.

Fulmont Mutual Insurance Company

By: Marlene A. Benton

Name: Marlene A. Benton

Title: President

Axiom Re, LP

By: Michael S. Cross

Name: **Michael S. Cross**

Title: **Chief Executive Officer**

Axiom®

Fulmont Mutual Insurance Company

P.O. Box 487, Johnstown, NY 12095-0487
Phone: 518-762-3171 ~ Fax: 518-762-7870
Visit us at http://www.fulmontmutual.com

February 6, 2013

New York State Department of Financial Services
Property Bureau – 20th Floor
One Commerce Plaza
Albany, NY 12257
Attention: Brian Glabb, Associate Insurance Examiner

RE: Axiom Executed Reinsurance Contracts

Dear Mr. Glaab:

Enclosed please find the new Four Layer Property Catastrophe Excess of Loss Reinsurance Agreement No. AX01514, effective 1/1/2013 through Axiom Re, Inc.

If you should have any questions, please don't hesitate to contact our office.

Regards,

Marlene A. Benton
President

lms
enclosures (2)

MEMORANDUM OF CHANGES

to the

FOUR LAYER PROPERTY CATASTROPHE EXCESS OF LOSS
REINSURANCE AGREEMENT

issued to

FULMONT MUTUAL INSURANCE COMPANY

The Agreement wording for the period commencing January 1, 2013 differs from the expiring wording as follows:

1. Dates have been changed throughout the Agreement to reflect the current term.

2. The second paragraph of the Loss Notices and Settlements Article has been amended for clarification purposes.

3. "Axiom Re, Inc., a Florida corporation" has been amended to "Axiom Re, LP, a Florida limited partnership" in the Intermediary Article.

4. Exhibit A., First Layer, Rate and Premium:

    A. Deposit premium is $87,636, payable in four equal quarterly installments of $21,909.

    B. At Agreement expiration, the Company will adjust the deposit premium against a rate of 2.3685% of its net earned premium, subject to a minimum premium of $70,109.

5. Exhibit B., Second Layer, Rate and Premium:

    A. Deposit premium is $25,624, payable in four equal quarterly installments of $6,406.

    B. At Agreement expiration, the Company will adjust the deposit premium against a rate of 0.6925% of its net earned premium, subject to a minimum premium of $20,499.

6. Exhibit C., Third Layer, Rate and Premium:

    A. Deposit premium is $18,328, payable in four equal quarterly installments of $4,582.

    B. At Agreement expiration, the Company will adjust the deposit premium against a rate of 0.4954% of its net earned premium, subject to a minimum premium of $14,662.

7. Exhibit D., Fourth Layer, Rate and Premium:

A. Deposit premium is $31,744, payable in four equal quarterly installments of $7,936.

B. At Agreement expiration, the Company will adjust the deposit premium against a rate of 0.8580% of its net earned premium, subject to a minimum premium of $25,395.

FULMONT MUTUAL INSURANCE COMPANY
FOUR LAYER PROPERTY CATASTROPHE EXCESS OF LOSS
REINSURANCE AGREEMENT NO. AX 01514

PREPARED BY:

AXIOM RE, LP

CONTENTS

FOUR LAYER PROPERTY CATASTROPHE EXCESS OF LOSS
REINSURANCE AGREEMENT NO. AX 01514

THIS AGREEMENT is made and entered into by and between FULMONT MUTUAL INSURANCE COMPANY, a New York corporation, including any and/or all companies that are or may hereafter become affiliated therewith (the party hereinafter referred to as the "Company") and the various REINSURERS, signatories to the INTERESTS AND LIABILITIES ARTICLE (the parties hereinafter together, severally and not jointly, referred to as the "Reinsurer").

The parties hereto agree as hereinbelow, in consideration of the mutual covenants contained in the following Articles and upon the terms and conditions set forth therein:

BUSINESS COVERED:

The Reinsurer will indemnify the Company for any loss or losses occurring during the term of this Agreement under all policies, classified by the Company as:

PROPERTY BUSINESS INCLUDING BUT NOT LIMITED TO FIRE, ALLIED LINES, INLAND MARINE, WIND, AND PROPERTY SECTIONS OF BUSINESS OWNERS MULTIPLE PERIL, FARMOWNERS MULTIPLE PERIL, HOMEOWNERS MULTIPLE PERIL, MOBILE HOMEOWNERS MULTIPLE PERIL, LANDLORD'S PACKAGE AND SPECIAL MULTIPLE PERIL.

All reinsurance for which the Reinsurer will be obligated by virtue of this Agreement will be subject to the same terms, conditions, interpretations, waivers, modifications, and alterations as the respective policies of the Company to which this Agreement applies. However, in no event will this be construed in any way to provide coverage outside the terms and conditions set forth in this Agreement. Nothing herein will in any manner create any obligations or establish any rights against the Reinsurer in favor of any third parties or any persons not parties to this Agreement except as provided in the Insolvency Article.

TERM:

This Agreement will apply to all losses occurring during the 12-month term extending from January 1, 2013, 12:01 a.m. Eastern Standard Time to January 1, 2014, 12:01 a.m. Eastern Standard Time.

The Company may terminate a Reinsurer's percentage share in this Agreement at any time by giving not less than 10 days prior written notice in the event any of the following circumstances occur:

1. The Reinsurer's policyholders' surplus (or its equivalent under the Reinsurer's accounting system) at any time during the term of this Agreement has been reduced by 20.0% or more from the surplus (or the applicable equivalent) at the inception of this Agreement; or

2. The Reinsurer's A.M. Best's rating has been assigned or downgraded below "A-"; or

3. The Reinsurer has become merged with, acquired by or controlled by any other entity or individual(s) not controlling the Reinsurer's operations previously; or

4. A State Insurance Department or other legal authority has ordered the Reinsurer to cease writing business; or

5. The Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary) or proceedings have been instituted against the Reinsurer for the appointment of a receiver, liquidator, rehabilitator, conservator or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations; or

6. The Reinsurer has reinsured its entire liability under this Agreement with an unaffiliated company(ies) without the Company's prior written consent; or

7. The Reinsurer has ceased assuming new or renewal property or casualty treaty reinsurance business.

The reinsurance premium due the Reinsurer hereunder (including any minimum reinsurance premium) will be pro rated based on the period of the Reinsurer's participation hereon, and then will immediately return any excess reinsurance premium received. The reinstatement premium, if any, will be calculated based on the Reinsurer's reinsurance premium earned during the period of the Reinsurer's participation hereon.

Notwithstanding the expiration or termination of this Agreement as hereinabove provided, the provisions of this Agreement will continue to apply to all obligations and liabilities of the parties incurred hereunder to the end that all such obligations and liabilities will be fully performed and discharged.

EXTENDED EXPIRATION:

Should this Agreement expire while a loss occurrence covered hereunder is in progress, the Reinsurer will be responsible for its portion of the entire loss or damage caused by such loss occurrence, subject to the other conditions of this Agreement, and provided that no part of said loss occurrence is claimed against any renewal or replacement of this Agreement.

LIMITATION OF RISK:

The Reinsurer acknowledges that the Company is subject to New York Insurance Law §6610 Limitation of Risk, as attached to this Agreement.

TERRITORY:

The territorial scope of this Agreement will follow that of the Company's policies.

EXCLUSIONS:

This Agreement excludes:

A. Liability assumed by the Company under any form of treaty reinsurance; however, group intra-company reinsurance (if applicable), local agency reinsurance accepted in the normal course of business and/or policies written by another carrier at the Company's request and reinsured 100% by the Company will not be excluded hereunder.

B. Financial Guarantee coverage and/or similar coverage, however styled.

C. Loss or damage occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, martial law, or confiscation by order of any government or public authority; however, the foregoing will not apply to reinsured policies containing a standard war exclusion clause.

D. Loss or liability excluded by the Pools, Associations, and Syndicates Exclusion Clause attached to this Agreement.

E. Loss or liability excluded by the Insolvency Funds Exclusion Clause attached to this Agreement.

F. Loss or liability excluded by the Nuclear Incident Exclusion Clause -- Physical Damage -- Reinsurance (U.S.A. and Canada) and Nuclear Energy Risks Exclusion Clause (Reinsurance) (1994) (Worldwide excluding U.S.A. and Canada) attached to this Agreement.

G. Loss or liability excluded by the Terrorism Exclusion Clause attached to this Agreement.

H. Loss or liability excluded by the Mold Exclusion Clause attached to this Agreement.

I. Loss or liability excluded by the Information Technology Hazards Clarification Clause (Cyberisk) NMA 2912 attached to this Agreement.

The exclusions enumerated above, with the exception of C., D., E. and F., will not apply when they are merely incidental to the main operations of the insured, provided such main operations are covered by the Company and are not themselves excluded from the scope of this Agreement. The Company will be the sole judge of what is "incidental."

Should the Company, by reason of an inadvertent act, error, or omission, be bound to afford coverage excluded hereunder or should an existing insured extend its operations to include coverage excluded hereunder, the Reinsurer will waive the exclusion(s) with the exception

of C., D., E. and F. The duration of said waiver will not extend beyond the time that notice of such coverage has been received by the responsible underwriting authority of the Company plus the minimum time period required thereafter for the Company to terminate such coverage.

The Company may submit in writing to the Reinsurer, for special acceptance hereunder, business not covered by this Agreement. If said business is accepted in writing by the Reinsurer, it will be subject to the terms of this Agreement, except as such terms are modified by such acceptance. Any special acceptance business covered under the reinsurance agreement being replaced by this Agreement will be automatically covered hereunder. Further, should the Reinsurer become a party to this Agreement subsequent to the acceptance of any business not normally covered hereunder, it will automatically accept same as being a part of this Agreement.

DEFINITIONS:

The following definitions will apply to this Agreement:

A. "Agreement year" will mean a period of 12 consecutive months beginning January 1, 2013, 12:01 a.m. Eastern Standard Time.

B. "Ultimate net loss" will mean the actual loss or losses sustained by the Company under its policies, after deduction of all salvages and recoveries, and inuring reinsurance whether recoverable or not. Ultimate net loss will be inclusive of loss expense arising from the settlement of claims, including a pro rata share of salaries and expenses of the Company's field employees while adjusting such claims, expenses of the Company's officials incurred in connection with such claims (but excluding salaries of the Company's officials and office expenses of the Company) 90% of any claims related extra contractual obligations, 90% of excess limits liability, and declaratory judgment expense. All salvages, recoveries, or reinsurance received subsequent to any loss settlement hereunder will be applied as if received prior to the settlement, and all necessary adjustments will be made by the parties hereto. Nothing in this definition, however, should be construed to mean that losses under this Agreement are not recoverable until the Company's ultimate net loss has been ascertained. In the event a verdict or judgment is reduced by an appeal or a settlement, subsequent to the entry of the judgment, however, resulting in an ultimate saving on such verdict or judgment, or a judgment is reversed outright, the loss expense incurred in securing such final reduction or reversal will be prorated between the Reinsurer and the Company in the proportion that each benefits from such reduction or reversal.

C. "Declaratory judgment expense" will mean all expenses incurred by the Company in connection with declaratory judgment actions brought to determine the Company's defense and/or indemnification obligations that are allocable to specific policies and claims subject to this

Agreement. Declaratory judgment expense will be deemed to have been fully incurred by the Company on the date of the actual or alleged loss under the policy giving rise to the action.

D. "Loss occurrence" will mean the sum of all individual losses directly occasioned by any one disaster, accident, or loss or series of disasters, accidents, or losses arising out of one event, which occurs within the area of one state of the United States or province of Canada and states or provinces contiguous thereto and to one another. The duration and extent of any one "loss occurrence" will be limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term "loss occurrence" will be further defined as follows:

1. As regards windstorm, hail, tornado, hurricane, and cyclone, including ensuing collapse and water damage, all individual losses sustained by the Company occurring during any period of 72 consecutive hours arising out of and directly occasioned by the same event. The event need not be limited to one state or province or states or provinces contiguous thereto.

2. As regards riot, riot attending a strike, civil commotion, vandalism, and malicious mischief, all individual losses sustained by the Company occurring during any period of 72 consecutive hours within the area of one municipality or county and the municipalities or counties contiguous thereto arising out of and directly occasioned by the same event. The maximum duration of 72 consecutive hours may be extended in respect of individual losses that occur beyond such 72 consecutive hours during the continued occupation of an insured's premises by strikers, provided such occupation commenced during the aforesaid period.

3. As regards earthquake (the epicenter of which need not necessarily be within the territorial confines referred to in the opening paragraph of this Article) and fire following directly occasioned by the earthquake, only those individual fire losses that commence during the period of 168 consecutive hours may be included in the Company's "loss occurrence."

4. As regards "freeze," only individual losses directly occasioned by collapse, breakage of glass, and water damage (caused by bursting of frozen pipes and tanks) may be included in the Company's "loss occurrence."

Except for those "loss occurrences" referred to in 1. and 2., the Company may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the

Company arising out of that disaster, accident, or loss and provided that only one such period of 168 consecutive hours will apply with respect to one event.

As respects those "loss occurrences" referred to in 1. and 2., if the disaster, accident, or loss occasioned by the event is of greater duration than 72 consecutive hours, then the Company may divide that disaster, accident, or loss into two or more "loss occurrences" provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident, or loss.

No individual losses occasioned by an event that would be covered by 72 hours provisions may be included in any "loss occurrence" claimed under the 168 hours provisions.

E. "Net earned premium" will mean that portion of the gross premium of the Company which is earned during the term of this Agreement on policies subject to this Agreement, (including the earned premium on policies in force as of the inception date of this Agreement), less the earned portion of premium paid for inuring reinsurance, if any, as set forth in the Other Reinsurance Article.

F. "Policies" will mean all policies, binders, contracts, or agreements of insurance or reinsurance.

G. "Risk" will be subject to definition solely by the Company.

NET RETAINED LIABILITY:

This Agreement will apply only to that portion of any insurance or reinsurance that the Company retains net for its own account, and such portion will be used in calculating the amount of any loss hereunder as well as the amount in excess of which this Agreement attaches. The amount of the Reinsurer's liability hereunder with respect to any loss will not be increased by the inability of the Company to collect from any other reinsurers any amounts that may have become due from them, whether such inability arises from the insolvency of such reinsurers or otherwise.

It is recognized that the Company maintains an excess of loss reinsurance agreement that applies on a per risk basis, subject to a limit of loss as respects any one loss occurrence. Any amount uncollectible thereunder solely by reason of the per occurrence limitation will not be considered as uncollectible reinsurance within the meaning of this Agreement.

OTHER REINSURANCE:

The Company is permitted to have other treaty reinsurance. The premium for any such reinsurance that inures to the benefit of this Agreement will not be included within the subject premium hereunder. Additionally, the Company may purchase facultative reinsurance on any subject risk it deems advisable, and the premium for that portion of the Company's policy reinsured elsewhere will not be included within the subject premium hereunder.

EXTRA CONTRACTUAL OBLIGATIONS AND EXCESS LIMITS LIABILITY:

This Agreement will cover any losses arising from claims related extra contractual obligations and/or excess limits liability.

"Extra contractual obligations" as used in this Agreement will mean those liabilities not covered under any other provision of this Agreement, which arise from the handling of any claim on business covered hereunder; such liabilities arising because of, but not limited to, the following: failure to settle within the policy limit, by reason of alleged or actual negligence, fraud, or bad faith in rejecting an offer of settlement, in the preparation of the defense, in the trial of any action against the insured or reinsured, or in the preparation or prosecution of an appeal consequent upon such action.

"Excess limits liability" as used in this Agreement will mean damages payable in excess of the policy limit as a result of alleged or actual negligence, fraud, or bad faith in failing to settle and/or rejecting a settlement within the policy limit, in the preparation of the defense, in the trial of any action against the insured or reinsured, or in the preparation or prosecution of an appeal consequent upon such action. Excess limits liability is any amount for which the Company would have been contractually liable to pay had it not been for the limits of the reinsured policy.

There will be no recovery hereunder where the extra contractual obligation or excess limits liability has been incurred due to fraud committed by a member of the board of directors or a corporate officer of the Company, acting individually, collectively, or in collusion with a member of the board of directors, a corporate officer, or a partner of any other corporation, partnership, or organization involved in the defense or settlement of a claim on behalf of the Company.

The date on which any extra contractual obligation and/or excess limits liability is incurred by the Company will be deemed, in all circumstances, to be the date of the original loss. Nothing in this Article will be construed to create a separate or distinct loss apart from the original covered loss that gave rise to the extra contractual obligations and/or excess limits liability discussed in the preceding paragraphs. In no event will the total liability of the Reinsurer exceed its applicable limit of liability as set forth in the Retention and Limit sections of the attached Exhibits.

REPORTS AND REMITTANCES:

Quarterly, the Company will furnish the Reinsurer with an informational report of reinsurance premium due them for that period. Such report will show and properly segregate the Company's premium to which the reinsurance rate applies as well as contain such other information as may be required by the Reinsurer for completion of its NAIC interim and/or annual statements. As soon as possible following the expiration of this Agreement, the premium due the Reinsurer will be balanced against the deposit premiums set forth in the Rate and Premium sections of the attached Exhibits, subject to the minimum premiums, and any balance shown to be due the Reinsurer will be remitted with the annual report. Any balance shown to be due the Company will be paid as soon as possible following receipt of said report by the Reinsurer.

RESERVES AND FUNDING:

(This Article is applicable to any Reinsurer who cannot qualify for credit by each governmental authority having jurisdiction over the Company's reserves and/or any Reinsurer who has been assigned an A.M. Best Rating of less than an "A-" at the inception of the Agreement year and/or any Reinsurer who is assigned an A.M. Best Rating of less than an "A-" after the inception of the Agreement year. As regards to Underwriting Members of Lloyd's -- The funds deposited in the Credit for Reinsurance Trust Fund, as respects the Company and this Agreement, will qualify as funding per the caveat of this Article.)

As regards policies issued by the Company coming within the scope of this Agreement, the Company agrees that, when it files with the insurance department or sets up on its books reserves for losses (including loss and loss expense paid by the Company but not recovered from the Reinsurer, loss and loss expense reported and outstanding and an allowance for IBNR as determined by the Company) and/or unearned premium which it is required by law to set up, it will forward to the Reinsurer a statement showing the proportion of such reserves applicable to them. The Reinsurer, within 90 days from receipt of such statement, hereby agrees that it will fund such reserves by cash advances, trust agreements, escrow accounts for the benefit of the Company, letters of credit, or a combination thereof. The Reinsurer will have the option of determining the method of funding referred to above, provided it is acceptable to the Company and each applicable regulatory authority.

As respects to any Reinsurer who cannot qualify for credit by each governmental authority having jurisdiction over the Company's reserves:

If a Reinsurer's choice of funding is or includes a letter of credit, it will apply for and secure delivery to the Company of a clean, irrevocable, unconditional letter of credit, dated on or before December 31 of the year in which the request is made, issued by a member of the Federal Reserve System or any bank approved for use by the NAIC Securities Valuation Office, and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to that Reinsurer's proportion of said reserves. The letter of credit will be issued for a period of not less than one year, and will be automatically extended for one year from its date of expiration or any

future expiration date unless 30 days prior to any expiration date the issuing bank notifies the Company by registered mail that the issuing bank elects not to consider the letter of credit extended for any additional period. An issuing bank, not a member of the Federal Reserve System or not chartered in the state of domicile of the Company, will provide 60 days notice to the Company prior to any expiration in the event of nonextension.

As respects to any Reinsurer who has been assigned an A.M. Best Rating of less than an "A-" at the inception of the Agreement year:

If a Reinsurer's choice of funding is or includes a letter of credit, it will apply for and secure delivery to the Company of a clean, irrevocable, unconditional letter of credit, dated as of the beginning of the Agreement year, issued by a member of the Federal Reserve System or any bank approved for use by the NAIC Securities Valuation Office, and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to that Reinsurer's proportion of said reserves. The letter of credit will be issued for a period of not less than one year, and will be automatically extended for one year from its date of expiration or any future expiration date unless 30 days prior to any expiration date the issuing bank notifies the Company by registered mail that the issuing bank elects not to consider the letter of credit extended for any additional period. An issuing bank, not a member of the Federal Reserve System or not chartered in the state of domicile of the Company, will provide 60 days notice to the Company prior to any expiration in the event of nonextension. In the event the Reinsurer's A.M. Best Rating is restored to an "A-" or better, the Reinsurer will be relinquished of all funding requirements within 30 days of the rating restoration.

As respects to any Reinsurer who is assigned an A.M. Best Rating of less than an "A-" after the inception of the Agreement year:

If a Reinsurer's choice of funding is or includes a letter of credit, it will apply for and secure delivery to the Company of a clean, irrevocable, unconditional letter of credit, dated within 30 days of being assigned an A.M. Best Rating of less than an "A-", issued by a member of the Federal Reserve System or any bank approved for use by the NAIC Securities Valuation Office, and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to that Reinsurer's proportion of said reserves. The letter of credit will be issued for a period of not less than one year, and will be automatically extended for one year from its date of expiration or any future expiration date unless 30 days prior to any expiration date the issuing bank notifies the Company by registered mail that the issuing bank elects not to consider the letter of credit extended for any additional period. An issuing bank, not a member of the Federal Reserve System or not chartered in the state of domicile of the Company, will provide 60 days notice to the Company prior to any expiration in the event of nonextension. In the event the Reinsurer's A.M. Best Rating is restored to an "A-" or better, the Reinsurer will be relinquished of all funding requirements within 30 days of the rating restoration.

Notwithstanding any other provisions of this Agreement, the Company or its court-appointed successor in interest may draw upon the cash advances, trust agreements, escrow accounts and/or letters of credit at any time without diminution because of the insolvency of the Company or of any Reinsurer for one or more of the following purposes only:

A. To reimburse the Company for the Reinsurer's share of unearned premium on policies reinsured hereunder on account of cancellations of such policies.

B. To pay the Reinsurer's share or to reimburse the Company for the Reinsurer's share of any loss reinsured by this Agreement, which has not been otherwise paid.

C. To make refund of any sum in excess of the actual amount required to pay the Reinsurer's share of any liability reinsured by this Agreement.

D. In the event of nonextension of letters of credit as provided for above, to establish deposits of the Reinsurer's share of reserves for unearned premium and/or losses. Such cash deposit will be held in an interest bearing account separate from the Company's other assets, and interest thereon will accrue to the benefit of the Reinsurer.

E. To pay the Reinsurer's share of any other amounts the Company claims are due under this Agreement.

The issuing bank will have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

At annual intervals, or more frequently as agreed but never more frequently than semi-annually, the Company will prepare and forward to the Reinsurer a statement to reflect the Reinsurer's share of reserves and/or unearned premium. If the statement shows that the Reinsurer's share of such reserves exceeds the balance available through cash advances, trust agreements, escrow accounts and/or letters of credit as of the statement date, then the Reinsurer will, within 30 days after receipt of notice of such excess, make an adjustment to increase the amount available. If, however, the statement shows that the Reinsurer's share of such reserves is less than the balance available through the chosen method of funding as of the statement date, then the Company will, within 30 days after receipt of written request from the Reinsurer, release such excess by making the appropriate adjustment.

LOSS NOTICES AND SETTLEMENTS:

The Company will advise the Reinsurer promptly of any loss occurrence that, in the opinion of the Company, may involve the Reinsurer under this Agreement and of all subsequent developments pertaining thereto that may materially affect it as well. Inadvertent omission in dispatching the aforementioned notices will in no way affect the

obligation of the Reinsurer under this Agreement, provided the Company informs the Reinsurer of such omission promptly upon discovery.

All loss settlements made by the Company, provided they are within the terms of the Company's original policies and within the terms and conditions of this Agreement, will be unconditionally binding upon the Reinsurer in proportion to its participation in this Agreement. Amounts falling to the share of the Reinsurer will be payable by it promptly upon being furnished by the Company with reasonable evidence of the amount paid or to be paid in excess of the Company's ultimate net loss retention as set forth in the Retention and Limit sections of the attached Exhibits, by reason of any one loss occurrence.

OFFSET:

The Company and the Reinsurer hereunder will be entitled to deduct from amounts due to the other party under this Agreement any amounts due itself from the other party under this Agreement; however, in the event of the insolvency of any party hereto, offset will be in accordance with applicable law.

SALVAGE AND SUBROGATION:

The Reinsurer will be credited with its share of salvage and/or subrogation in respect of claims and settlements under this Agreement, less its share of recovery expense. Unless the Company and Reinsurer agree to the contrary, the Company will enforce its right to salvage and/or subrogation and will prosecute all claims arising out of such right. Should the Company refuse or neglect to enforce this right, the Reinsurer is hereby empowered and authorized to institute appropriate action in the name of the Company.

Amounts recovered from salvage and/or subrogation will always be used to reimburse the excess reinsurers (and the Company, should it carry a portion of excess coverage net) in the reverse order of their participation in the loss before being used in any way to reimburse the Company for its primary loss. If the amount recovered exceeds the recovery expense, the recovery expense will be borne by each party in proportion to its benefit from the recovery. If the recovery expense exceeds the amount recovered, the amount recovered (if any) will be applied to the reimbursement of recovery expense and the remaining expense as well as any originally incurred loss expense will be added to the ultimate net loss.

DELAYS, ERRORS, OR OMISSIONS:

Any inadvertent delay, error, or omission will not be held to relieve either party hereto from any liability that would attach to it hereunder if such delay, error, or omission had not been made, providing such error or omission is rectified upon discovery.

ENTIRE AGREEMENT/AMENDMENTS:

This Agreement constitutes the entire agreement between the parties with respect to the business being reinsured hereunder, and the obligations of the parties are determined solely by the terms of this Agreement. Any change or modification to this Agreement will be made by written amendment to this Agreement and signed by the parties hereto.

ACCESS TO RECORDS:

The Reinsurer or its duly authorized representatives will have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files ("Records") relating to business reinsured under this Agreement during regular business hours after giving 5 working days' prior notice. This right will be exercisable during the term of this Agreement or after the expiration of this Agreement. Notwithstanding the above, the Reinsurer will not have any right of access to the records of the Company if it is not current in all undisputed payments due the Company.

INSOLVENCY:

(If more than one reinsured company is referenced within the definition of "Company" in the Preamble to this Agreement, this Article will apply severally to each such Company.)

In the event of the Company's insolvency, the reinsurance afforded by this Agreement will be payable by the Reinsurer on the basis of the Company's liability under the policies reinsured without diminution because of the Company's insolvency or because its liquidator, receiver, conservator, or statutory successor has failed to pay all or a portion of any claims, subject however to the right of the Reinsurer to offset against such funds due hereunder, any sums that may be payable to it by said insolvent Company in accordance with the Offset Article. The reinsurance will be payable by the Reinsurer directly to the Company, or to its liquidator, receiver, conservator, or statutory successor except (a) where this Agreement specifically provides another payee of such reinsurance in the event of the Company's insolvency or (b) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such policy obligations of the Company as direct obligations of themselves to the payees under such policies in substitution for the Company's obligation to such payees.

The Company's liquidator, receiver, conservator, or statutory successor will give written notice of the pendency of a claim against the Company under the policies reinsured within a reasonable time after such claim is filed in the insolvency proceeding. During the pendency of such claim, the Reinsurer may investigate said claim and interpose in the proceeding where the claim is to be adjudicated, at its own expense, any defense that it may deem available to the Company, or to its liquidator, receiver, conservator, or statutory successor. The expense thus incurred by the Reinsurer will be chargeable against the Company, subject to court approval, as part of the expense of conservation or liquidation to the extent that such proportionate share of the benefit will accrue to the Company solely as a result of the defense undertaken by the Reinsurer. Where two or

more Reinsurers are involved in the same claim, and a majority in interest elect to interpose defense to such claim, the expense will be apportioned in accordance with the terms of this Agreement as though such expense had been incurred by the Company.

As to all reinsurance made, ceded, renewed or otherwise becoming effective under this Agreement, the reinsurance will be payable as set forth above by the Reinsurer to the Company or to its liquidator, receiver, conservator or statutory successor, (except as provided by Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York law applies) or except (1) where the Agreement specifically provides another payee in the event of the insolvency of the Company, or (2) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such policy obligations of the Company as direct obligations of the Reinsurer to the payees under such policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Insurance of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer will pay any loss directly to payees under such policy.

ARBITRATION:

As a condition precedent to any right of action under this Agreement, any dispute (whether during the currency of this Agreement or after expiration or termination of this Agreement) between the Company and any Reinsurer arising out of or in connection with this Agreement, including its formation or actual validity, will be submitted to the decision of a board of arbitration (hereinafter called the "board") composed of two arbitrators and an umpire meeting at a site in Johnstown, New York. Unless otherwise mutually agreed, each member of the arbitration panel will be disinterested in the outcome of the arbitration, and will be an active or former official or experienced individual who has operated in the United States and/or London insurance or reinsurance industry.

All time limitations stated in this Article may be amended by mutual consent of the parties, and will be amended automatically to the extent made necessary by any circumstances beyond the control of the parties.

All notices in connection with the arbitration will be in writing and sent certified or registered mail, return receipt requested. The claimant's notice demanding arbitration will reference this Article, will state in particulars all issues to be resolved in its view, and will name the arbitrator appointed by it. Within 30 days of receipt of the claimant's notice, the respondent will notify the claimant of any additional issues to be resolved in the arbitration and of the name of its appointed arbitrator.

If the respondent fails to appoint its arbitrator within 30 days after having received the claimant's notice demanding arbitration, the claimant is authorized to and will appoint the second arbitrator and will notify the respondent of the name of the arbitrator appointed for it. The two arbitrators will appoint an umpire before instituting the hearing. If the two arbitrators fail to agree upon the appointment of an umpire within 30 days after notification of the appointment of the second arbitrator, within 10 days thereafter the

claimant will petition the United States District Court having geographical jurisdiction over the site of arbitration to appoint the umpire (or if the federal court declines to act, the state court having general jurisdiction in such area); the selection of the umpire will be within the exercise of sound discretion by the court. The board will notify the claimant and the respondent of the umpire's identity within 10 days of the umpire's appointment.

The arbitration hearing will commence within 60 days of the appointment of the umpire. Within 30 days of the date of notice of appointment of the umpire, the claimant and respondent will each submit initial briefs to the board outlining the issues in dispute and the basis and reasons for their respective positions. Within 10 days after filing of the initial briefs the claimant and the respondent may submit reply briefs. Initial and reply briefs may be amended by the submitting party at any time, but not later than 10 days prior to the date of commencement of the arbitration hearing. Reasonable responses will be allowed at the hearing to new material contained in any amendments filed to the briefs but not previously addressed.

Subject to customary and recognized legal rules of privilege, each party will have the obligation to produce as witnesses to the arbitration such of its employees or those of its affiliates as the other party may request, and any documents that the other party may request, providing always that those witnesses and documents be relevant to the issues before the arbitration and provided further that the parties may mutually agree as to further discovery prior to the arbitration. The board may, at its discretion, request and consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Agreement. Upon the petition of either the claimant or the respondent, the umpire will be the final judge of rules of privilege and as to relevancy of any witnesses and documents.

The board will conduct the hearing and make its award with regard to the terms expressed in this Agreement, the original intentions of the parties to the extent reasonably ascertainable, and the custom and usage of the property-casualty insurance and reinsurance business. At the hearing, evidence will be allowed but the formal rules of evidence will not apply; cross examination and rebuttal will be allowed. Within 20 days of the close of the hearing, at their own election or at the request of the board, the claimant and the respondent may submit post-hearing briefs to be considered by the board before making its decision.

The board will make its award within 30 days following the close of the hearing or the submission of post-hearing briefs, whichever is later. The decision by the majority of the members of the board will be in writing and will be final and binding upon the parties. The board is empowered to grant interim relief as it may deem appropriate.

The claimant and the respondent will each bear the expense of the arbitrator appointed by or for it and will jointly and equally bear the expense of the umpire and any stenographer requested. The remaining costs of the arbitration proceedings will be allocated by the board.

To the extent requested by the Company, the Reinsurer, or other Reinsurers hereon, where the issues in dispute between the Company and the Reinsurer are related or largely identical or similar to issues in dispute between the Company and other Reinsurers, all parties may join together in a consolidated arbitration under the terms and conditions contained in this Article to resolve all common issues; provided, however, that:

A. The two arbitrators and umpire will be appointed by the Company and the original arbitrating Reinsurer;

B. Each party to a consolidated arbitration will have the right to its own attorney, position, and related claims and defenses;

C. No party will be prevented from presenting its position by the position put forth by any other party;

D. The consolidated arbitration will not be construed as changing the liability of the Reinsurer under the terms of this Agreement from several to joint; and

E. The cost and expenses of the arbitration, including the fees of the arbitrators and the umpire (but exclusive of attorneys' fees, which will be borne exclusively by the respective retaining party), will be borne pro rata by each party participating in the consolidated arbitration.

SEVERABILITY:

If any provision of this Agreement will be rendered illegal or unenforceable by the laws, regulations or public policy of any state, such provision will be considered void in such state, but this will not affect the validity or enforceability of any other provision of this Agreement or the enforceability of such provision in any other jurisdiction. However, in no event will the operation of this Article increase the liability of the Reinsurer beyond the scope and limit of liability originally agreed upon by the Company and the Reinsurer as set forth in this Agreement.

GOVERNING LAW:

This Agreement will be governed by and construed in accordance with the laws of the state of New York.

TAXES:

The Company will pay all taxes (except Federal Excise Tax) on premiums reported to the Reinsurer on this Agreement.

FEDERAL EXCISE TAX:

(This Article applies to Reinsurers domiciled outside the United States of America, excepting Underwriting Members of Lloyd's, London, and other Reinsurers exempt from Federal Excise Tax.)

The Reinsurer will allow for the purpose of paying Federal Excise Tax the applicable percentage of the premium payable hereon (as imposed under Section 4371 of the Internal Revenue Service Code) to the extent such premium is subject to such tax. In the event of any return of premium, the Reinsurer will deduct the aforesaid percentage from the return premium payable hereon and the Company or its agent will recover such tax from the United States Government.

CURRENCY:

All limits and retentions hereunder are expressed in United States currency, and all payments hereunder will be made in that currency. For the purposes of this Agreement, amounts paid or received by the Company in currencies other than United States currency will be converted into United States Dollars at the actual rates of exchange at which they are entered in the Company's books.

SERVICE OF SUIT:

(This Article applies to Reinsurers domiciled outside the United States of America and/or unauthorized in any state, territory, or district of the United States of America that has jurisdiction over the Company and in which a subject suit has been instituted. This Article is not intended to conflict with or override the parties' obligation to arbitrate their disputes in accordance with the Arbitration Article.)

In the event any Reinsurer hereon fails to pay any amount claimed due hereunder, such Reinsurer, at the request of the Company, will submit to the jurisdiction of a court of competent jurisdiction within the United States and will comply with all requirements necessary to give that court jurisdiction. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's right to commence an action in any court of competent jurisdiction in 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. 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 Article. In any suit instituted against it upon this Agreement, the Reinsurer will abide by the final decision of such court or of any appellate court in the event of an appeal.

The above named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit and/or upon the request of the Company to give a written undertaking to the Company that they will enter a general appearance upon the Reinsurer's behalf in the event such a suit is instituted.

Further, pursuant to any statute of any state, territory, or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner, or Director of Insurance or other officer specified for that purpose in the statute, or the 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 Company or any beneficiary hereunder arising out of this Agreement, and hereby designates the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

AFFILIATED COMPANIES (BRMA 2C):

Whenever the word "Company" is used in this Agreement, such term will be held to include any or all of the affiliated companies which are or may hereafter be under common control, provided that notice be given to the Reinsurer of any such newly affiliated companies which may hereafter come under common control as soon as practicable with full particulars as to how such affiliation is likely to affect this Agreement. In the event of either party maintaining that such affiliation calls for alteration in existing terms, and an agreement for alteration not being arrived at, then the business of such newly affiliated company is covered at existing terms only for a period of 45 days after notice by either party that it does not wish to cover such business.

The first named affiliated company hereunder will be deemed to be the agent of the Company.

The retention of the Company and the liability of the Reinsurer and all other benefits accruing to the Company as provided in this Agreement or any amendments hereto, will apply to the affiliated companies comprising the Company as a group and not separately to each of the affiliated companies.

INTERMEDIARY:

Axiom Re, LP, a Florida limited partnership, is hereby recognized as the Intermediary negotiating this Agreement for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss expenses, salvages, and loss settlements) relating to this Agreement will be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary will be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary will be deemed payment to the Company only to the extent that such payments are actually received by the Company.

MODE OF EXECUTION:

This Agreement may be executed by:

1. written ink signature of paper documents;

2. exchange of facsimile copies showing the written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that:

a. the signature is unique to the person signing;

b. is under the sole control of the person signing;

c. is capable of verification to authenticate the signature; and

d. is linked to the document signed in such a manner that if the document is changed, such signature is invalidated.

The use of any one or a combination of the above methods of execution will constitute a legally binding and valid signing of this Agreement. This Agreement may be executed in one or more counterparts, each of which, when duly executed, will be deemed an original.

EXHIBIT A
FIRST LAYER

RETENTION AND LIMIT:

No claim will be made hereunder unless the Company has first sustained, by reason of any one loss occurrence, an ultimate net loss in excess of $100,000. The Reinsurer will then be liable for the amount of ultimate net loss in excess of $100,000 any one loss occurrence, but the limit of liability of the Reinsurer will not exceed 95% of $900,000 with respect to any one loss occurrence.

The Company will retain net for its own account 5% of the ultimate net loss which is otherwise subject to the limit of liability to the Reinsurer.

No recovery will be made hereunder unless the loss occurrence involves two or more risks, in which the Company has an interest.

REINSTATEMENT:

In the event that all or any portion of the reinsurance under this Exhibit A is exhausted by loss, the amount so exhausted will then be reinstated from the time of occurrence of such loss. The Reinsurer's liability will not exceed 95% of $900,000 in respect of any one loss occurrence nor 95% of $1,800,000 during the term of this Agreement.

For each amount so reinstated, the Company will pay an additional premium based upon the pro rata amount of the reinstatement only. The provisional reinstatement premium, based on the deposit premium and finally adjusted as set forth in the Rate and Premium section of this Exhibit A, will be paid by the Company at the same time the Reinsurer pays the loss.

RATE AND PREMIUM:

For the term of this Agreement, there will be a deposit premium hereon of $87,636 payable in four equal quarterly installments of $21,909 due on January 1, 2013, April 1, 2013, July 1, 2013 and October 1, 2013. At Agreement expiration, the Company will adjust the deposit premium against a rate of 2.3685% of its net earned premium, subject to a minimum premium of $70,109.

EXHIBIT B
SECOND LAYER

RETENTION AND LIMIT:

No claim will be made hereunder unless the Company has first sustained, by reason of any one loss occurrence, an ultimate net loss in excess of $1,000,000, inclusive of underlying catastrophe reinsurance. The Reinsurer will then be liable for the amount of ultimate net loss in excess of $1,000,000 any one loss occurrence, but the limit of liability of the Reinsurer will not exceed 95% of $1,000,000 with respect to any one loss occurrence.

The Company will retain net for its own account 5% of the ultimate net loss which is otherwise subject to the limit of liability to the Reinsurer.

No recovery will be made hereunder unless the loss occurrence involves two or more risks, in which the Company has an interest.

REINSTATEMENT:

In the event that all or any portion of the reinsurance under this Exhibit B is exhausted by loss, the amount so exhausted will then be reinstated from the time of occurrence of such loss. The Reinsurer's liability will not exceed 95% of $1,000,000 in respect of any one loss occurrence nor 95% of $2,000,000 during the term of this Agreement.

For each amount so reinstated, the Company will pay an additional premium based upon the pro rata amount of the reinstatement only. The provisional reinstatement premium, based on the deposit premium and finally adjusted as set forth in the Rate and Premium section of this Exhibit B, will be paid by the Company at the same time the Reinsurer pays the loss.

RATE AND PREMIUM:

For the term of this Agreement, there will be a deposit premium hereon of $25,624 payable in four equal quarterly installments of $6,406 due on January 1, 2013, April 1, 2013, July 1, 2013 and October 1, 2013. At Agreement expiration, the Company will adjust the deposit premium against a rate of 0.6925% of its net earned premium, subject to a minimum premium of $20,499.

EXHIBIT C
THIRD LAYER

RETENTION AND LIMIT:

No claim will be made hereunder unless the Company has first sustained, by reason of any one loss occurrence, an ultimate net loss in excess of $2,000,000, inclusive of underlying catastrophe reinsurance. The Reinsurer will then be liable for the amount of ultimate net loss in excess of $2,000,000 any one loss occurrence, but the limit of liability of the Reinsurer will not exceed 100% of $1,000,000 with respect to any one loss occurrence.

No recovery will be made hereunder unless the loss occurrence involves two or more risks, in which the Company has an interest.

REINSTATEMENT:

In the event that all or any portion of the reinsurance under this Exhibit C is exhausted by loss, the amount so exhausted will then be reinstated from the time of occurrence of such loss. The Reinsurer's liability will not exceed 100% of $1,000,000 in respect of any one loss occurrence nor 100% of $2,000,000 during the term of this Agreement.

For each amount so reinstated, the Company will pay an additional premium based upon the pro rata amount of the reinstatement only. The provisional reinstatement premium, based on the deposit premium and finally adjusted as set forth in the Rate and Premium section of this Exhibit C, will be paid by the Company at the same time the Reinsurer pays the loss.

RATE AND PREMIUM:

For the term of this Agreement, there will be a deposit premium hereon of $18,328 payable in four equal quarterly installments of $4,582 due on January 1, 2013, April 1, 2013, July 1, 2013 and October 1, 2013. At Agreement expiration, the Company will adjust the deposit premium against a rate of 0.4954% of its net earned premium, subject to a minimum premium of $14,662.

EXHIBIT D
FOURTH LAYER

RETENTION AND LIMIT:

No claim will be made hereunder unless the Company has first sustained, by reason of any one loss occurrence, an ultimate net loss in excess of $3,000,000, inclusive of underlying catastrophe reinsurance. The Reinsurer will then be liable for the amount of ultimate net loss in excess of $3,000,000 any one loss occurrence, but the limit of liability of the Reinsurer will not exceed 100% of $2,000,000 with respect to any one loss occurrence.

No recovery will be made hereunder unless the loss occurrence involves two or more risks, in which the Company has an interest.

REINSTATEMENT:

In the event that all or any portion of the reinsurance under this Exhibit D is exhausted by loss, the amount so exhausted will then be reinstated from the time of occurrence of such loss. The Reinsurer's liability will not exceed 100% of $2,000,000 in respect of any one loss occurrence nor 100% of $4,000,000 during the term of this Agreement.

For each amount so reinstated, the Company will pay an additional premium based upon the pro rata amount of the reinstatement only. The provisional reinstatement premium, based on the deposit premium and finally adjusted as set forth in the Rate and Premium section of this Exhibit D, will be paid by the Company at the same time the Reinsurer pays the loss.

RATE AND PREMIUM:

For the term of this Agreement, there will be a deposit premium hereon of $31,744 payable in four equal quarterly installments of $7,936 due on January 1, 2013, April 1, 2013, July 1, 2013 and October 1, 2013. At Agreement expiration, the Company will adjust the deposit premium against a rate of 0.8580% of its net earned premium, subject to a minimum premium of $25,395.

NEW YORK INSURANCE LAW §6610 LIMITATION OF RISK

(a) Subject to the other provisions of this section, the maximum amount of insurance less reinsurance in other authorized insurers or in accredited reinsurers as defined in subsection (a) of section one hundred seven of this chapter which may be assumed by a co-operative property/casualty insurance company on a single risk for every kind of insurance it is authorized to write will not exceed, in accordance with section one thousand one hundred fifteen of this chapter, ten percent of its surplus to policyholders as shown in its last sworn statement filed with the superintendent.

(b) The maximum amount of insurance less reinsurance in other authorized insurers or in accredited reinsurers as defined in subsection (a) of section one hundred seven of this chapter which may be assumed by an advance premium corporation on property not protected by automatic sprinklers, situated within the boundaries of one city block or on one group of buildings composed of attached or adjacent buildings which have less than sixty feet of clear space at all points between such buildings and other buildings, will not exceed ten percent of its surplus to policyholders as shown in its last sworn statement filed with the superintendent.

(c) The maximum amount of insurance less reinsurance in other authorized insurers or in accredited reinsurers as defined in subsection (a) of section one hundred seven of this chapter which may be assumed by an assessment corporation on a single risk for the kinds of insurance listed below will not exceed three percent of its surplus as shown in its last sworn statement filed with the superintendent or fourteen thousand dollars, whichever is greater.

Kinds of insurance specified in the following numbered paragraphs of subsection (a) of section one thousand one hundred thirteen of this chapter:

(4) fire insurance;
(5) miscellaneous property insurance (excluding insurance against windstorm, tornado, cyclone, flood, earthquake or volcanic eruption);
(6) water damage insurance;
(7) burglary and theft insurance;
(8) glass insurance;
(9) boiler and machinery insurance;
(12) collision insurance;
(20) marine and inland marine insurance (inland marine insurance only; except insurance within paragraph twenty against windstorm, tornado, cyclone, flood, earthquake or volcanic eruption).

The term “risk” means property which is situated less than sixty feet from other property except property consisting of or located in a building of fire resistive construction or fully protected by automatic sprinklers.

(d) The maximum amount of insurance (including the obligation to pay outside loss adjustment expense) less reinsurance in other authorized insurers or accredited reinsurers as defined in subsection (a) of section one hundred seven of this chapter which may be assumed by an assessment corporation on a single risk for the kinds of insurance listed below will not exceed two percent of its surplus as shown in its last sworn statement filed with the superintendent.

Kinds of insurance specified in the following numbered paragraphs of subsection (a) of section one thousand one hundred thirteen of this chapter:

(13) personal injury liability insurance;
(14) property damage liability insurance;
(15) workers' compensation and employers' liability insurance (excluding workers' compensation insurance, but not excluding workers' compensation insurance required by subsection (j) of section three thousand four hundred twenty of this chapter);
(19) motor vehicle and aircraft physical damage insurance (excluding aircraft physical damage insurance).

(e) The maximum amount of insurance less reinsurance in other authorized insurers or in accredited reinsurers as defined in subsection (a) of section one hundred seven of this chapter which may be assumed by an assessment corporation on a single risk for insurance against windstorm, tornado, cyclone, flood, earthquake or volcanic eruption will not exceed two percent of its surplus as shown in its last sworn statement filed with the superintendent, provided however, that the aggregate amount incurred, after deducting such reinsurance, with respects to losses due to a single occurrence of such insured peril which exceeds ten percent of the company's surplus as shown in the last sworn statement filed with the superintendent will be reinsured in other authorized insurers or in accredited reinsurers as defined in subsection (a) of section one hundred seven of this chapter. The term "single occurrence" means all losses occasioned by the perils of windstorm, tornado, cyclone, flood, earthquake or volcanic eruption arising from the same continuous atmospheric disturbance or other physical disturbance occurring within a seventy-two hour period.

POOLS, ASSOCIATIONS & SYNDICATES EXCLUSION CLAUSE

Section A:

Excluding:

(1) All business derived directly or indirectly from any Pool, Association or Syndicate which maintains its own reinsurance facilities.

(2) Any Pool or Scheme (whether voluntary or mandatory) formed after March 1, 1968 for the purpose of insuring property whether on a country-wide basis or in respect of designated areas. This exclusion shall not apply to so-called Automobile Insurance Plans or other Pools formed to provide coverage for Automobile Physical Damage.

Section B:

It is agreed that business written by the Company for the same perils, which is known at the time to be insured by, or in excess of underlying amounts placed in the following Pools, Associations or Syndicates, whether by way of insurance or reinsurance, is excluded hereunder:

Industrial Risk Insurers,
Associated Factory Mutuals,
Improved Risk Mutuals,
Any Pool, Association or Syndicate formed for the purpose of writing Oil, Gas or Petro-Chemical Plants and/or Oil or Gas Drilling Rigs,
United States Aircraft Insurance Group,
Canadian Aircraft Insurance Group,
Global Aerospace
American Aviation Underwriters.

Section B does not apply:

(1) Where the Total Insured Value over all interests of the risk in question is less than $250,000,000.

(2) To interests traditionally underwritten as Inland Marine and/or Stock and/or Contents written on a Blanket basis.

(3) To Contingent Business Interruption, except when the Company is aware that the key location is known at the time to be insured in any Pool, Association or Syndicate named above, other than as provided for under Section B(1).

(4) To risks as follows:

Offices, Hotels, Apartments, Hospitals, Educational Establishments, Public Utilities (other than Railroad Schedules) and Builder's Risks on the classes of risks specified in this subsection (4) only.

Where this clause attaches to Catastrophe Excesses, the following Sections C and D are added:

Section C:

Nevertheless the Reinsurer specifically agrees that liability accruing to the Company from its participation in Residual Market Mechanisms including but not limited to:

(1) The following so-called "Coastal Pools":

Alabama Insurance Underwriting Association
Louisiana Insurance Underwriting Association
Mississippi Windstorm Underwriting Association
North Carolina Insurance Underwriting Association
South Carolina Windstorm and Hail Underwriting Association
Texas Windstorm Insurance Association

AND

(2) All "Fair Plan" and "Rural Risk Plan" business,

AND

(3) Citizens Property Insurance Corporation (Citizens) and California Earthquake Authority (CEA),

for all perils otherwise protected hereunder shall not be excluded herefrom, except however, that this reinsurance does not include any increase in such liability resulting from:

(a) The inability of any other participant in such Residual Market Mechanisms to meet its liability.

(b) Any claim against such Residual Market Mechanisms or any participant therein, including the Company, whether by way of subrogation or otherwise, brought by or on behalf of any insolvency fund (as defined in the Insolvency Funds Exclusion Clause incorporated in this Contract).

Section D:

(1) Notwithstanding Section C above, in respect of the CEA, where an assessment is made against the Company by the CEA, the Company may include in its ultimate net loss only that assessment directly attributable to each separate loss occurrence covered hereunder. The Company's initial capital contribution to the CEA shall not be included in the ultimate net loss.

(2) Notwithstanding Section C above, in respect of the Citizens, where an assessment is made against the Company by the Citizens, the maximum loss that the Company may include in the ultimate net loss in respect of any loss occurrence hereunder shall not exceed the lesser of:

(a) The Company's assessment from the Citizens for the accounting year in which the loss occurrence commenced, or

(b) The product of the following:

(i) The Company's percentage participation in the relevant entity for the accounting year in which the loss occurrence commenced; and

(ii) The relevant entity's total losses in such loss occurrence.

Any assessments for accounting years subsequent to that in which the loss occurrence commenced may not be included in the ultimate net loss hereunder. Moreover, notwithstanding Section C above, in respect of the Citizens, the ultimate net loss hereunder shall not include any monies expended to purchase or retire bonds as a consequence of being a member of the Citizens.

For the purposes of this Contract, the Company may not include in the ultimate net loss any assessment or any percentage assessment levied by the Citizens to meet the obligations of an insolvent insurer, member or other party, or to meet any obligations arising from the deferment by the Citizens of the collection of monies.

INSOLVENCY FUNDS EXCLUSION CLAUSE

This Agreement excludes all liability of the Company 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, insolvency 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 Company 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.

USA

NUCLEAR INCIDENT EXCLUSION CLAUSE—PHYSICAL DAMAGE—REINSURANCE

1. This Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph (1) of this Clause, this Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   I. Nuclear reactor power plants including all auxiliary property on the site, or

   II. Any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and "critical facilities" as such, or

   III. Installations for fabricating complete fuel elements or for processing substantial quantities of "special nuclear material", and for reprocessing, salvaging, chemically separating, storing or disposing of "spent" nuclear fuel or waste materials, or

   IV. Installations other than those listed in paragraph (2) III above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operations of paragraphs (1) and (2) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith except that this paragraph (3) shall not operate

   (a) where Reassured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused. However on and after 1st January 1960 this sub-paragraph (b) shall only apply provided the said radioactive contamination exclusion provision has been approved by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operations of paragraphs (1), (2) and (3) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. It is understood and agreed that this Clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reassured to be the primary hazard.

6. The term “special nuclear material” shall have the meaning given it in the Atomic Energy Act of 1954 or by any law amendatory thereof.

7. Reassured to be sole judge of what constitutes:

   (a) substantial quantities, and

   (b) the extent of installation, plant or site.

   NOTE: Without in any way restricting the operation of paragraph (1) hereof, it is understood and agreed that

   (a) all policies issued by the Reassured on or before 31st December 1957 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

   (b) with respect to any risk located in Canada policies issued by the Reassured on or before 31st December 1958 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

N.M.A. 1119 (12/12/57)

CANADA

NUCLEAR INCIDENT EXCLUSION CLAUSE—PHYSICAL DAMAGE—REINSURANCE

1. This Agreement does not cover any loss or liability accruing to the Reinsured directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph 1 of this clause, this Agreement does not cover any loss or liability accruing to the Reinsured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   (a) nuclear reactor power plants including all auxiliary property on the site, or

   (b) any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and critical facilities as such, or

   (c) installations for fabricating complete fuel elements or for processing substantial quantities of radioactive materials, and for reprocessing, salvaging, chemically separating, storing or disposing of spent nuclear fuel or waste materials, or

   (d) installations other than those listed in (c) above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operation of paragraphs 1 and 2 of this clause, this Agreement does not cover any loss or liability by radioactive contamination accruing to the Reinsured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith, except that this paragraph 3 shall not operate:

   (a) where the Reinsured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where the said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused.

4. Without in any way restricting the operation of paragraphs 1, 2 and 3 of this clause, this Agreement does not cover any loss or liability by radioactive contamination accruing to the Reinsured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. This clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reinsured to be the primary hazard.

6. The term “radioactive material” means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by or pursuant to any law, act or statute, or any law amendatory thereof as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

7. Reinsured to be sole judge of what constitutes:

   (a) substantial quantities, and

   (b) the extent of installation, plant or site.

8. Without in any way restricting the operation of paragraphs 1, 2, 3 and 4 of this clause, this Agreement does not cover any loss or liability accruing to the Reinsured, directly or indirectly, and whether as Insurer or Reinsurer caused:

   (a) by any nuclear incident as defined in or pursuant to the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;

   (b) by contamination by radioactive material.

   NOTE: Without in any way restricting the operation of paragraphs 1, 2, 3 and 4 of this clause, paragraph 8 of this clause shall only apply to all original contracts of the Reinsured whether new, renewal or replacement which become effective on or after December 31, 1992.

N.M.A. 1980 a (01/04/96)
Form approved by Lloyd’s Underwriters’ Non-Marine Association Ltd.

NUCLEAR ENERGY RISKS EXCLUSION CLAUSE (REINSURANCE) (1994)
(WORLDWIDE EXCLUDING U.S.A. & CANADA)

This agreement shall exclude Nuclear Energy Risks whether such risks are written directly and/or by way of reinsurance and/or via Pools and/or Associations.

For all purposes of this agreement Nuclear Energy Risks shall mean all first party and/or third party insurances or reinsurances (other than Workers' Compensation and Employers' Liability) in respect of:

(I) All Property on the site of a nuclear power station. Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.

(II) All Property, on any site (including but not limited to the sites referred to in (I) above) used or having been used for:

(a) the generation of nuclear energy; or

(b) the Production, Use or Storage of Nuclear Material.

(III) Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.

(IV) The supply of goods and services to any of the sites, described in (I) to (III) above, unless such insurances or reinsurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Except as undernoted, Nuclear Energy Risks shall not include:

(i) Any insurance or reinsurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in (I) to (III) above (including contractors' plant and equipment);

(ii) Any Machinery Breakdown or other Engineering insurance or reinsurance not coming within the scope of (i) above;

Provided always that such insurance or reinsurance shall exclude the perils of irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:

(1) The provision of any insurance or reinsurance whatsoever in respect of:

(a) Nuclear Material;

(b) Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.

(2) The provision of any insurance or reinsurance for the undernoted perils:

Fire, lightning, explosion;
Earthquake;
Aircraft and other aerial devices or articles dropped therefrom;
Irradiation and radioactive contamination;
Any other peril insured by the relevant local Nuclear Insurance Pool and/or Association in respect of any other Property not specified in (1) above which directly involves the Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

Definitions

"Nuclear Material" means:

(i) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and

(ii) Radioactive Products or Waste.

"Radioactive Products or Waste" means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilization of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

"Nuclear Installation" means:

(i) Any Nuclear Reactor;

(ii) Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and

(iii) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

"Nuclear Reactor" means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

"Production, Use or Storage of Nuclear Material" means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

"Property" shall mean all land, buildings, structures, plant, equipment, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

"High Radioactivity Zone or Area" means:

(i) For nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and

(ii) For non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield.

N.M.A. 1975a (10/3/94)
Approved by Lloyd's Underwriters' Non-Marine Association.

TERRORISM EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, it is agreed that this reinsurance agreement excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

(i) involves violence against one or more persons; or
(ii) involves damage to property; or
(iii) endangers life other than that of the person committing the action; or
(iv) creates a risk to health or safety of the public or a section of the public; or
(v) is designed to interfere with or to disrupt an electronic system.

This reinsurance agreement also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

This exclusion will not apply if such loss, damage, cost or expense arises from individual locations where the total insurable value is less than $20,000,000, except for Acts of Terrorism perpetrated by biological, chemical, or nuclear means. This exception to the exclusion does not cover loss, damage, cost or expense which is otherwise not covered under this Agreement or is excluded by any clause or exclusion of this Agreement, including but not limited to the Nuclear Incident Exclusion Clause which is part of this Agreement.

This exclusion shall only apply to the extent permitted by applicable law.

MOLD EXCLUSION CLAUSE

This Agreement excludes loss, damage, cost or expense of whatsoever nature directly caused by, resulting from or in connection with Mold, unless such loss, damage, cost or expense is the direct result of an otherwise insured peril.

INFORMATION TECHNOLOGY HAZARDS CLARIFICATION EXCLUSION CLAUSE

Losses arising, directly or indirectly, out of:

(1) loss of, alteration of, or damage to

or

(2) a reduction in the functionality, availability or operation of a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the policyholder of the Company or not, do not in and of themselves constitute an event unless arising out of one or more of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.

NMA 2912

FULMONT MUTUAL INSURANCE COMPANY
FOUR LAYER PROPERTY CATASTROPHE EXCESS OF LOSS
REINSURANCE AGREEMENT NO. AX 01514

INTERESTS AND LIABILITIES:

FIRST LAYER:
This Agreement obligates the Reinsurer for 45.00% of the liability and amounts set forth under this Agreement and the Reinsurer is entitled to a corresponding proportion of the premium set forth herein.

SECOND LAYER:
This Agreement obligates the Reinsurer for 45.00% of the liability and amounts set forth under this Agreement and the Reinsurer is entitled to a corresponding proportion of the premium set forth herein.

THIRD LAYER:
This Agreement obligates the Reinsurer for 45.00% of the liability and amounts set forth under this Agreement and the Reinsurer is entitled to a corresponding proportion of the premium set forth herein.

FOURTH LAYER:
This Agreement obligates the Reinsurer for 45.00% of the liability and amounts set forth under this Agreement and the Reinsurer is entitled to a corresponding proportion of the premium set forth herein.

The provisions of the Service of Suit Article will apply to the Reinsurer, except that service of process will be made upon ~~Dewey & LeBoeuf, 1301 Avenue of the Americas, New York, NY 10019-6092,~~ and, where required by law, will additionally be made upon the Superintendent, Commissioner, or Director of Insurance in the state of the Company's domicile. Amendment: Ericliana Perez, Patton Boggs LLP, 1185 Avenue of the Americas, New York, NY 10036, USA

IN WITNESS WHEREOF, the parties hereto by their respective duly authorized officers have executed this Agreement as of the dates recorded below:

At Johnstown, NY. this 24 day of January, 2013.

FULMONT MUTUAL INSURANCE COMPANY

[signature]

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At Wiesbaden this 29th day of January, 2013.

R+V VERSICHERUNG AG

R+V VERSICHERUNG AG
RÜCKVERSICHERUNG · REINSURANCE

[signature]

REINSURER REFERENCE NO. X06023

FULMONT MUTUAL INSURANCE COMPANY
FOUR LAYER PROPERTY CATASTROPHE EXCESS OF LOSS
REINSURANCE AGREEMENT NO. AX 01514

INTERESTS AND LIABILITIES:

FIRST LAYER:
This Agreement obligates the Reinsurer for 55.00% of the liability and amounts set forth under this Agreement and the Reinsurer is entitled to a corresponding proportion of the premium set forth herein.

SECOND LAYER:
This Agreement obligates the Reinsurer for 55.00% of the liability and amounts set forth under this Agreement and the Reinsurer is entitled to a corresponding proportion of the premium set forth herein.

THIRD LAYER:
This Agreement obligates the Reinsurer for 55.00% of the liability and amounts set forth under this Agreement and the Reinsurer is entitled to a corresponding proportion of the premium set forth herein.

FOURTH LAYER:
This Agreement obligates the Reinsurer for 55.00% of the liability and amounts set forth under this Agreement and the Reinsurer is entitled to a corresponding proportion of the premium set forth herein.

If the Reinsurer wishes to designate an alternate party to that named in the Service of Suit Article contained in the attached Agreement, then service of process will be made upon the party hereinafter named:

IN WITNESS WHEREOF, the parties hereto by their respective duly authorized officers have executed this Agreement as of the dates recorded below:

At Johnston, Iowa this 24 day of January, 2013.

FULMONT MUTUAL INSURANCE COMPANY

Melissa A. Benton

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At Columbia, MO this 31st day of January, 2013.

SHELTER MUTUAL INSURANCE COMPANY

S. Daniel Clapp

S. Daniel Clapp, Executive Vice President

REINSURER REFERENCE NO.0250850, 0250851, 0250852, 0250853