

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q/A
(Amendment No. 1)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

**FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2016
OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File number 000-25001

Federated National Holding Company

(Exact name of registrant as specified in its charter)

Florida

(State or Other Jurisdiction of
Incorporation or Organization)

65-0248866

(IRS Employer
Identification Number)

14050 N.W. 14th Street, Suite 180, Sunrise, Florida 33323

(Address of principal executive offices) (Zip Code)

800-293-2532

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has electronically submitted and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 4, 2016, the registrant had 13,801,757 shares of common stock outstanding.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (“Amendment No. 1”) to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 of Federated National Holding Company (the “Company”), initially filed with the Securities and Exchange Commission (the “SEC”) on November 8, 2016 (the “Original Form 10-Q”), is being filed as an exhibit-only filing in response to communications received from the SEC in connection with the confidential treatment request regarding Exhibits 10.1, 10.2, 10.3, 10.4, 10.5 and 10.6 (the “Revised Exhibits”). Item 6 of Part II of the Original Form 10-Q is hereby amended to include revised redacted versions of the Revised Exhibits.

The Original Form 10-Q has not been updated other than the filing of the Revised Exhibits. No items included in the Original Form 10-Q, other than Item 6 of Part II, have been amended, and such items remain in effect as of the filing date of the Original Form 10-Q. This Amendment No. 1 does not purport to provide an update or a discussion of any development at the Company subsequent to the filing date of the Original Form 10-Q.

In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by our principal executive officer and principal financial officer are filed herewith as exhibits to this Amendment No. 1.

Item 6. Exhibits

Exhibit No. Description

10.1	FHCF Supplemental Layer Reinsurance Contract, effective June 1, 2016 between Federated National Insurance Company and subscribing reinsurers.* †
10.2	Multi-Year Excess Catastrophe Reinsurance Contract, effective July 1, 2016 between Federated National Insurance Company and subscribing reinsurers.* †
10.3	Non-Florida Property Catastrophe Excess of Loss Reinsurance Contract, effective July 1, 2016 between Federated National Insurance Company and subscribing reinsurers.* †
10.4	Non-Florida Reinstatement Premium Protection Reinsurance Contract, effective July 1, 2016 between Federated National Insurance Company and subscribing reinsurers.* †
10.5	Reinstatement Premium Protection Reinsurance Contract, effective July 1, 2016, between Federated National Insurance Company and subscribing reinsurers.* †
10.6	Excess Catastrophe Reinsurance Contract, effective July 1, 2016 between Federated National Insurance Company and subscribing reinsurers.* †
31.3	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act*
31.4	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act*
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema Document**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document**

* Filed herewith.

** In accordance with Rule 402 of Regulation S-T, these interactive data files are deemed not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be part of any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. The XBRL documents are included in the Original Form 10-Q.

† Confidential treatment has been granted for the redacted portions of this agreement. A complete copy of this agreement, including the redacted portions, has been filed separately with the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FEDERATED NATIONAL HOLDING COMPANY

By: /s/ Michael H. Braun
Michael H. Braun, Chief Executive Officer
(Principal Executive Officer)

/s/ Ronald Jordan
Ronald Jordan, Chief Financial Officer
(Principal Financial Officer)

Date: May 26, 2017

**FHCF Supplement Layer
Reinsurance Contract
Effective: June 1, 2016**

Federated National Insurance Company
Sunrise, Florida

*****Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

Reinsurer(s)	Participation(s)
American Standard Insurance Company of Wisconsin	*%
BGS Services (Bermuda) Limited	
for and on behalf of Lloyd's Syndicate No. 2987	*%
Chubb Tempest Reinsurance Ltd.	*%
DaVinci Reinsurance Ltd.**	*%
Fidelis Insurance Bermuda Limited	*%
Hamilton Re, Ltd.	*%
Horseshoe Re Limited	
on behalf of and for the benefit of its Separate Account CC0024**	*%
Partner Reinsurance Company Ltd.	*%
Renaissance Reinsurance Ltd.**	*%
Securis Re II Ltd. Bermuda	
in respect of its segregated account designated "SRB205"***	*%
Securis Re III Ltd. Bermuda	
in respect of its segregated account designated "SRB305"***	*%
Securis Re V Ltd. Bermuda	
in respect of its segregated account designated "SRB505"***	*%
Securis Re VI Ltd. Bermuda	
in respect of its segregated account designated "SRB605"***	*%
Tokio Millennium Re AG, Bermuda Branch (Elementum Advisors Business)*	*%
Tokio Millennium Re AG (Bermuda Branch)	*%
Transatlantic Reinsurance Company	*%
XL Bermuda Ltd.**	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Ascot Underwriting (Bermuda) Limited	
for and on behalf of American International Reinsurance Company, Ltd.	*%
General Insurance Corporation of India	*%
Länsförsäkringar Sak Forsäkringsaktiebolag (publ)	*%
Pioneer Underwriting Limited	
for and on behalf of PICC Property and Casualty Company Limited	*%
Pioneer Underwriting Limited	
for and on behalf of Taiping Reinsurance Co. Ltd.	*%
Pioneer Underwriting Limited	
for and on behalf of Peak Reinsurance Company Limited	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters and Companies	
Per Signing Page(s)	*%
Total	<hr/> *%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

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**FHCF Supplement Layer
Reinsurance Contract
Effective: June 1, 2016**

entered into by and between

Federated National Insurance Company
Sunrise, Florida
(hereinafter referred to as the "Company")

and

The Subscribing Reinsurer(s) Executing the
Interests and Liabilities Agreement(s)
Attached Hereto
(hereinafter referred to as the "Reinsurer")

Article 1 - Classes of Business Reinsured

By this Contract the Reinsurer agrees to reinsure the excess liability which may accrue to the Company under its policies in force at the effective time and date hereof or issued or renewed at or after that time and date, and classified by the Company as Property business, including but not limited to, Dwelling Fire, Inland Marine, Mobile Home, Commercial and Homeowners business (including any business assumed from Citizens Property Insurance Corporation), subject to the terms, conditions and limitations hereinafter set forth.

Article 2 - Commencement and Termination

- A. This Contract shall become effective at 12:01 a.m., Eastern Standard Time, June 1, 2016, with respect to losses arising out of loss occurrences commencing at or after that time and date, and shall remain in force until 12:01 a.m., Eastern Standard Time, June 1, 2017.
- B. Notwithstanding the provisions of paragraph A above, the Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event any of the following circumstances occur:
 - 1. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at the inception of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) 12 months prior to that date; or
 - 2. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at any time during the term of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) at the date of the Subscribing Reinsurer's most recent financial

statement filed with regulatory authorities and available to the public as of the inception of this Contract; or

3. The Subscribing Reinsurer's A.M. Best's rating has been assigned or downgraded below A- and/or Standard & Poor's rating has been assigned or downgraded below BBB+; or
 4. The Subscribing Reinsurer has become, or has announced its intention to become, merged with, acquired by or controlled by any other entity or individual(s) not controlling the Subscribing Reinsurer's operations previously; or
 5. A State Insurance Department or other legal authority has ordered the Subscribing Reinsurer to cease writing business; or
 6. The Subscribing Reinsurer has become insolvent or has been placed into liquidation, receivership, supervision, administration, winding-up or under a scheme of arrangement, or similar proceedings (whether voluntary or involuntary) or proceedings have been instituted against the Subscribing Reinsurer for the appointment of a receiver, liquidator, rehabilitator, supervisor, administrator, conservator or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations; or
 7. The Subscribing Reinsurer has reinsured its entire liability under this Contract without the Company's prior written consent; or
 8. The Subscribing Reinsurer has ceased assuming new or renewal property or casualty treaty reinsurance business; or
 9. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid; or
 10. The Subscribing Reinsurer has failed to comply with the funding requirements set forth in the Reserves Article.
- C. The "term of this Contract" as used herein shall mean the period from 12:01 a.m., Eastern Standard Time, June 1, 2016 to 12:01 a.m., Eastern Standard Time, June 1, 2017. However, if this Contract is terminated, the "term of this Contract" as used herein shall mean the period from 12:01 a.m., Eastern Standard Time, June 1, 2016 to the effective time and date of termination.
- D. If this Contract is terminated or expires while a loss occurrence covered hereunder is in progress, the Reinsurer's liability hereunder shall, subject to the other terms and conditions of this Contract, be determined as if the entire loss occurrence had occurred prior to the termination or expiration of this Contract, provided that no part of such loss occurrence is claimed against any renewal or replacement of this Contract.

Article 3 - Territory

This Contract shall only apply to risks located in the State of Florida.

Article 4 - Exclusions

A. This Contract does not apply to and specifically excludes the following:

1. Reinsurance assumed by the Company under obligatory reinsurance agreements, except business assumed by the Company from Citizens Property Insurance Corporation.
2. Hail damage to growing or standing crops.
3. Business rated, coded or classified as Flood insurance or which should have been rated, coded or classified as such.
4. Business rated, coded or classified as Mortgage Impairment and Difference in Conditions insurance or which should have been rated, coded or classified as such.
5. Title insurance and all forms of Financial Guarantee, Credit and Insolvency.
6. Aviation, Ocean Marine, Boiler and Machinery, Fidelity and Surety, Accident and Health, Animal Mortality and Workers Compensation and Employers Liability.
7. Errors and Omissions, Malpractice and any other type of Professional Liability insurance.
8. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company's property loss under the applicable original policy.
9. Loss or liability as excluded under the provisions of the "War Exclusion Clause" attached to and forming part of this Contract.
10. Nuclear risks as defined in the "Nuclear Incident Exclusion Clause - Physical Damage - Reinsurance (U.S.A.)" attached to and forming part of this Contract.
11. Loss or liability from any Pool, Association or Syndicate and any assessment or similar demand for payment related to the FHCF or Citizens Property Insurance Corporation.
12. Loss or 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, however denominated, established or governed, which 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.

13. Losses in the respect of overhead transmission and distribution lines other than those on or within 150 meters (or 500 feet) of the insured premises.
14. Mold, unless resulting from a peril otherwise covered under the policy involved.
15. Loss or liability as excluded under the provisions of the "Terrorism Exclusion" attached to and forming part of this Contract.
16. All property loss, damage, destruction, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including, but not limited to, Computer Virus) or loss of use, reduction in functionality, cost, expense or whatsoever nature resulting therefrom, unless resulting from a peril otherwise covered under the policy involved.

"Electronic Data" as used herein means facts, concepts and information converted to a form usable for communications, interpretation or processing by electronic and electromechanical data processing or electronically-controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Computer Virus" as used herein means a set of corrupting, harmful or otherwise unauthorized instructions or code, including a set of maliciously-introduced, unauthorized instructions or code, that propagate themselves through a computer system network of whatsoever nature.

However, in the event that a peril otherwise covered under the policy results from any of the matters described above, this Contract, subject to all other terms and conditions, will cover physical damage directly caused by such listed peril.

Article 5 - Retention and Limit

- A. The Company shall retain and be liable for the first ***** of ultimate net loss arising out of any one loss occurrence. The Reinsurer shall then be liable for the amount by which such ultimate net loss exceeds the Company's retention, but the Reinsurer's liability for ultimate net loss (plus an allowance for loss adjustment expense) shall not exceed ***** as respects all losses arising out of loss occurrences commencing during the term of this Contract.
- B. Notwithstanding the provisions of paragraph A above, the following shall apply:
 1. When the Company experiences ultimate net loss from one or two covered events during the term of this Contract, the Company's full ***** retention shall be applied to each of the covered events; and

2. When the Company experiences ultimate net loss from more than two covered events during the term of this Contract, the Company's full ***** retention shall be applied to each of the two covered events causing the largest ultimate net loss for the Company. For each other covered event resulting in ultimate net loss, the Company's retention shall be reduced to one - third of its full retention ***** and applied to all other covered events.
- C. No claim will be made under this Contract in any one loss occurrence unless at least two risks insured or reinsured by the Company are involved in such loss occurrence.
- D. As part of the Reinsurer's limit of liability set forth in paragraph A above, the Reinsurer shall be liable for an amount equal to 5.0% of ultimate net loss paid or to be paid by the Reinsurer as an allowance for loss adjustment expense incurred by the Company.

Article 6 - Other Reinsurance

The Company shall be permitted to carry other reinsurance, recoveries under which shall inure solely to the benefit of the Company and be entirely disregarded in applying all of the provisions of this Contract.

Article 7 - Definitions

- A. "Loss in excess of policy limits" and "extra contractual obligations" as used in this Contract shall mean:
 1. "Loss in excess of policy limits" shall mean 90.0% of any amount paid or payable by the Company in excess of its policy limits, but otherwise within the terms of its policy, such loss in excess of the Company's policy limits having been incurred because of, but not limited to, failure by the Company to settle within the policy limits or by reason of the Company's alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of an action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such an action. Any loss in excess of policy limits that is made in connection with this Contract shall not exceed 25.0% of the actual catastrophe loss.
 2. "Extra contractual obligations" shall mean 90.0% of any punitive, exemplary, compensatory or consequential damages paid or payable by the Company, not covered by any other provision of this Contract and which arise from the handling of any claim on business subject to this Contract, such liabilities arising because of, but not limited to, failure by the Company to settle within the policy limits or by reason of the Company's alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of an action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such an action. An extra contractual obligation shall be deemed, in all circumstances, to have occurred on the same date as the loss covered or alleged to be covered under the policy. Any extra contractual obligations that are made in connection with this Contract shall not exceed 25.0% of the actual catastrophe loss.

Notwithstanding anything stated herein, this Contract shall not apply to any loss in excess of policy limits or any extra contractual obligation incurred by the Company as a result of any fraudulent and/or criminal act by any officer or director of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

- B. "Policies" as used in this Contract shall mean all policies, contracts and binders of insurance or reinsurance.
- C. "Ultimate net loss" as used in this Contract shall mean the sum or sums (including loss in excess of policy limits and extra contractual obligations, as defined herein) paid or payable by the Company in settlement of claims and in satisfaction of judgments rendered on account of such claims, after deduction of all salvage, all recoveries and all claims on inuring insurance or reinsurance, whether collectible or not. Nothing herein shall be construed to mean that losses under this Contract are not recoverable until the Company's ultimate net loss has been ascertained.

Article 8 - Loss Occurrence

- A. "Loss occurrence" as used in this Contract shall mean the sum of individual insured losses incurred under Policies resulting from the same covered event.
- B. "Covered event" as used in this Contract shall mean any one storm declared to be a hurricane by the National Hurricane Center which causes insured losses in Florida. A covered event begins when a hurricane causes damage in Florida while it is a hurricane and continues throughout any subsequent downgrades in storm status by the National Hurricane Center regardless of whether the hurricane makes landfall. Any storm, including a tropical storm, which does not become a hurricane is not a covered event.

Article 9 - Loss Notices and Settlements

- A. Whenever losses sustained by the Company are reserved by the Company for an amount greater than 50.0% of the Company's retention hereunder and/or appear likely to result in a claim under this Contract, the Company shall notify the Subscribing Reinsurers and shall provide updates related to development of such losses. The Reinsurer shall have the right to participate in the adjustment of such losses at its own expense.
- B. All loss settlements made by the Company, provided they are within the terms of this Contract and the terms of the original policy (with the exception of loss in excess of policy limits or extra contractual obligations coverage, if any, under this Contract), shall be binding upon the Reinsurer, and the Reinsurer agrees to pay all amounts for which it may be liable, including the associated allowance for loss adjustment expense, upon receipt of reasonable evidence of the amount paid by the Company.

Article 10 - Cash Call

Notwithstanding the provisions of the Loss Notices and Settlements Article, upon the request of the Company, the Reinsurer shall pay any amount with regard to a loss settlement or settlements (including the associated allowance for loss adjustment expense) that are scheduled to be made (including any payments projected to be made) within the next 20 days by the Company, subject to receipt by the Reinsurer of a satisfactory proof of loss. Such agreed payment shall be made within 10 days from the date the demand for payment was transmitted to the Reinsurer.

Article 11 - Salvage and Subrogation

The Reinsurer shall be credited with salvage (i.e., reimbursement obtained or recovery made by the Company, less the actual cost, excluding salaries of officials and employees of the Company and sums paid to attorneys as retainer, of obtaining such reimbursement or making such recovery) on account of claims and settlements involving reinsurance hereunder. Salvage thereon shall always be used to reimburse the excess carriers in the reverse order of their priority according to their participation before being used in any way to reimburse the Company for its primary loss. The Company hereby agrees to enforce its rights to salvage or subrogation relating to any loss, a part of which loss was sustained by the Reinsurer, and to prosecute all claims arising out of such rights, if, in the Company's opinion, it is economically reasonable to do so.

Article 12 - Reinsurance Premium

- A. As premium for reinsurance coverage provided by this Contract, the Company shall pay the Reinsurer a premium equal to the product of the following (or a pro rata portion thereof in the event the term of this Contract is less than 12 months), subject to a minimum premium of ***** (or a pro rata portion thereof in the event the term of this Contract is less than 12 months):
1. An annual deposit premium of *****; times
 2. The percentage calculated by dividing (a) the actual Average Annual Loss ("AAL") determined by the Company's wind insurance in force on September 30, 2016, by (b) the original AAL of *****.

However, if the difference between annual deposit premium of *****, and the premium calculated in accordance with this paragraph A is less than a 10.0% increase or decrease, the premium due the Reinsurer will equal the annual deposit premium of *****.

The Company's AAL shall be derived by averaging the applicable data produced by Applied Insurance Research (AIR) Touchstone v3.1 and Risk Management Solutions (RMS) RiskLink v15 catastrophe modeling software, in the long-term perspective, including secondary uncertainty and loss amplification, but excluding storm surge. It is understood that the calculation of the actual AAL shall be based on the Reinsurer's per occurrence limit

of *****, net of the FHCF mandatory layer of coverage purchased by the Company using the current estimates of the mandatory FHCF coverage of ***** excess of *****.

- B. The Company shall pay the Reinsurer an annual deposit premium of *****, in four equal installments of ***** on July 1 and October 1 of 2016, and on January 1 and April 1 of 2017. However, in the event this Contract is terminated, there shall be no deposit premium installments due after the effective date of termination.
- C. On or before May 31, 2017, the Company shall provide a report to the Reinsurer setting forth the premium due hereunder for the term of this Contract, computed in accordance with paragraph A above, and any additional premium due the Reinsurer or return premium due the Company shall be remitted promptly.

Article 13 - Sanctions

Neither the Company nor any Subscribing Reinsurer shall be liable for premium or loss under this Contract if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

Article 14 - Late Payments

- A. The provisions of this Article shall not be implemented unless specifically invoked, in writing, by one of the parties to this Contract.
- B. In the event any premium, loss or other payment due either party is not received by the intermediary named in the Intermediary Article (hereinafter referred to as the "Intermediary") by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest charge on the amount past due calculated for each such payment on the last business day of each month as follows:
 - 1. The number of full days which have expired since the due date or the last monthly calculation, whichever the lesser; times
 - 2. 1/365ths of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made; times
 - 3. The amount past due, including accrued interest.

It is agreed that interest shall accumulate until payment of the original amount due plus interest charges have been received by the Intermediary.

- C. The establishment of the due date shall, for purposes of this Article, be determined as follows:

1. As respects the payment of routine deposits and premiums due the Reinsurer, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 30 days after the date of transmittal by the Intermediary of the initial billing for each such payment.
2. Any claim or loss payment due the Company hereunder shall be deemed due 10 days after the proof of loss or demand for payment is transmitted to the Reinsurer. If such loss or claim payment is not received within the 10 days, interest will accrue on the payment or amount overdue in accordance with paragraph B above, from the date the proof of loss or demand for payment was transmitted to the Reinsurer.
3. As respects any payment, adjustment or return due either party not otherwise provided for in subparagraphs 1 and 2 of this paragraph C, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 10 days following transmittal of written notification that the provisions of this Article have been invoked.

For purposes of interest calculations only, amounts due hereunder shall be deemed paid upon receipt by the Intermediary.

- D. Nothing herein shall be construed as limiting or prohibiting a Subscribing Reinsurer from contesting the validity of any claim, or from participating in the defense of any claim or suit, or prohibiting either party from contesting the validity of any payment or from initiating any arbitration or other proceeding in accordance with the provisions of this Contract. If the debtor party prevails in an arbitration or other proceeding, then any interest charges due hereunder on the amount in dispute shall be null and void. If the debtor party loses in such proceeding, then the interest charge on the amount determined to be due hereunder shall be calculated in accordance with the provisions set forth above unless otherwise determined by such proceedings. If a debtor party advances payment of any amount it is contesting, and proves to be correct in its contestation, either in whole or in part, the other party shall reimburse the debtor party for any such excess payment made plus interest on the excess amount calculated in accordance with this Article.
- E. Interest charges arising out of the application of this Article that are \$1,000 or less from any party shall be waived unless there is a pattern of late payments consisting of three or more items over the course of any 12-month period.

Article 15 - Offset

The Company and the Reinsurer may offset any balance or amount due from one party to the other under this Contract or any other contract heretofore or hereafter entered into between the Company and the Reinsurer, whether acting as assuming reinsurer or ceding company. The provisions of this Article shall not be affected by the insolvency of either party.

Article 16 - Access to Records

The Reinsurer or its designated representatives shall have access at any reasonable time to all records of the Company which pertain in any way to this reinsurance, provided the Reinsurer gives the Company at least 15 days prior notice of request for such access. However, a Subscribing Reinsurer or its designated representatives shall not have any right of access to the records of the Company if it is not current in all undisputed payments due the Company. "Undisputed" as used herein shall mean any amount that the Subscribing Reinsurer has not contested in writing to the Company specifying the reason(s) why the payments are disputed.

Article 17 - Liability of the Reinsurer

- A. The liability of the Reinsurer shall follow that of the Company in every case and be subject in all respects to all the general and specific stipulations, clauses, waivers and modifications of the Company's policies and any endorsements thereon. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.
- B. Nothing herein shall in any manner create any obligations or establish any rights against the Reinsurer in favor of any third party or any persons not parties to this Contract.

Article 18 - Net Retained Lines (BRMA 32E)

- A. This Contract applies only to that portion of any policy which the Company retains net for its own account (prior to deduction of any underlying reinsurance specifically permitted in this Contract), and in calculating the amount of any loss hereunder and also in computing the amount or amounts in excess of which this Contract attaches, only loss or losses in respect of that portion of any policy which the Company retains net for its own account shall be included.
- B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts which may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

Article 19 - Errors and Omissions (BRMA 14F)

Inadvertent delays, errors or omissions made in connection with this Contract or any transaction hereunder shall not relieve either party from any liability which would have attached had such delay, error or omission not occurred, provided always that such error or omission is rectified as soon as possible after discovery.

Article 20 - Currency (BRMA 12A)

- A. Whenever the word "Dollars" or the "\$" sign appears in this Contract, they shall be construed to mean United States Dollars and all transactions under this Contract shall be in United States Dollars.
- B. Amounts paid or received by the Company in any other currency shall be converted to United States Dollars at the rate of exchange at the date such transaction is entered on the books of the Company.

Article 21 - Taxes (BRMA 50B)

In consideration of the terms under which this Contract is issued, the Company will not claim a deduction in respect of the premium hereon when making tax returns, other than income or profits tax returns, to any state or territory of the United States of America or the District of Columbia.

Article 22 - Federal Excise Tax (BRMA 17D)

- A. The Reinsurer has agreed to allow for the purpose of paying the Federal Excise Tax the applicable percentage of the premium payable hereon (as imposed under Section 4371 of the Internal Revenue Code) to the extent such premium is subject to the Federal Excise Tax.
- B. In the event of any return of premium becoming due hereunder the Reinsurer will deduct the applicable percentage from the return premium payable hereon and the Company or its agent should take steps to recover the tax from the United States Government.

Article 23 - Foreign Account Tax Compliance Act

- A. To the extent the Reinsurer is subject to the deduction and withholding of premium payable hereon as set forth in the Foreign Account Tax Compliance Act (Sections 1471-1474 of the Internal Revenue Code), the Reinsurer shall allow such deduction and withholding from the premium payable under this Contract.
- B. In the event of any return of premium becoming due hereunder, the return premium shall be determined and paid in full without regard to any amounts deducted or withheld under paragraph A of this Article. In the event the Company or its agent recovers such premium deductions and withholdings on the return premium from the United States Government, the Company or its agent shall reimburse the Reinsurer for such amounts.

Article 24 - Reserves

- A. The Reinsurer agrees to fund its share of amounts, including but not limited to, the Company's ceded unearned premium and outstanding loss and the allowance for loss

adjustment expense reserves (including all case reserves plus any reasonable amount estimated to be unreported from known loss occurrences) (hereinafter referred to as "Reinsurer's Obligations") by:

1. Clean, irrevocable and unconditional letters of credit issued and confirmed, if confirmation is required by the insurance regulatory authorities involved, by a bank or banks meeting the NAIC Securities Valuation Office credit standards for issuers of letters of credit and acceptable to said insurance regulatory authorities; and/or
2. Escrow accounts for the benefit of the Company; and/or
3. Cash advances;

if the Reinsurer:

1. Is unauthorized in any state of the United States of America or the District of Columbia having jurisdiction over the Company and if, without such funding, a penalty would accrue to the Company on any financial statement it is required to file with the insurance regulatory authorities involved; or
2. Has an A.M. Best Company's rating equal to or below B++ at the inception of this Contract.

The Reinsurer, at its sole option, may fund in other than cash if its method and form of funding are acceptable to the insurance regulatory authorities involved.

- B. With regard to funding in whole or in part by letters of credit, it is agreed that each letter of credit will be in a form acceptable to insurance regulatory authorities involved, will be issued for a term of at least one year and will include an "evergreen clause," which automatically extends the term for at least one additional year at each expiration date unless written notice of non-renewal is given to the Company not less than 30 days prior to said expiration date. The Company and the Reinsurer further agree, notwithstanding anything to the contrary in this Contract, that said letters of credit may be drawn upon by the Company or its successors in interest at any time, without diminution because of the insolvency of the Company or the Reinsurer, but only for one or more of the following purposes:

1. To reimburse itself for the Reinsurer's share of unearned premiums returned to insureds on account of policy cancellations, unless paid in cash by the Reinsurer;
2. To reimburse itself for the Reinsurer's share of losses and/or the allowance for loss adjustment expense paid under the terms of policies reinsured hereunder, unless paid in cash by the Reinsurer;
3. To reimburse itself for the Reinsurer's share of any other amounts claimed to be due hereunder, unless paid in cash by the Reinsurer;
4. To fund a cash account in an amount equal to the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, funded by

means of a letter of credit which is under non-renewal notice, if said letter of credit has not been renewed or replaced by the Reinsurer 10 days prior to its expiration date;

5. To refund to the Reinsurer any sum in excess of the actual amount required to fund the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, if so requested by the Reinsurer.

In the event the amount drawn by the Company on any letter of credit is in excess of the actual amount required for B(1), B(2) or B(4), or in the case of B(3), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn.

Article 25 - Insolvency

- A. In the event of the insolvency of the Company, this reinsurance shall be payable directly to the Company or to its liquidator, receiver, conservator or statutory successor on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the policy or bond reinsured which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the Court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.
- B. Where two or more Subscribing Reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this Contract as though such expense had been incurred by the Company.
- C. It is further understood and agreed that, in the event of the insolvency of the Company, the reinsurance under this Contract shall be payable directly by the Reinsurer to the Company or to its liquidator, receiver or statutory successor, except as provided by Section 4118(a) of the New York Insurance Law or except (1) where this Contract specifically provides another payee of such reinsurance 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.

Article 26 - Arbitration

- A. As a condition precedent to any right of action hereunder, in the event of any dispute or difference of opinion hereafter arising with respect to this Contract, it is hereby mutually agreed that such dispute or difference of opinion shall be submitted to arbitration. One Arbiter shall be chosen by the Company, the other by the Reinsurer, and an Umpire shall be chosen by the two Arbiters before they enter upon arbitration, all of whom shall be active or retired disinterested executive officers of insurance or reinsurance companies or Lloyd's London Underwriters. In the event that either party should fail to choose an Arbiter within 30 days following a written request by the other party to do so, the requesting party may choose two Arbiters who shall in turn choose an Umpire before entering upon arbitration. If the two Arbiters fail to agree upon the selection of an Umpire within 30 days following their appointment, each Arbiter shall nominate three candidates within 10 days thereafter, two of whom the other shall decline, and the decision shall be made by drawing lots.
- B. Each party shall present its case to the Arbiters within 30 days following the date of appointment of the Umpire. The Arbiters shall consider this Contract as an honorable engagement rather than merely as a legal obligation and they are relieved of all judicial formalities and may abstain from following the strict rules of law. The decision of the Arbiters shall be final and binding on both parties; but failing to agree, they shall call in the Umpire and the decision of the majority shall be final and binding upon both parties. Judgment upon the final decision of the Arbiters may be entered in any court of competent jurisdiction.
- C. If more than one Subscribing Reinsurer is involved in the same dispute, all such Subscribing Reinsurers shall, at the option of the Company, constitute and act as one party for purposes of this Article and communications shall be made by the Company to each of the Subscribing Reinsurers constituting one party, provided, however, that nothing herein shall impair the rights of such Subscribing Reinsurers to assert several, rather than joint, defenses or claims, nor be construed as changing the liability of the Subscribing Reinsurers participating under the terms of this Contract from several to joint.
- D. Each party shall bear the expense of its own Arbiter, and shall jointly and equally bear with the other the expense of the Umpire and of the arbitration. In the event that the two Arbiters are chosen by one party, as above provided, the expense of the Arbiters, the Umpire and the arbitration shall be equally divided between the two parties.
- E. Any arbitration proceedings shall take place at a location mutually agreed upon by the parties to this Contract, but notwithstanding the location of the arbitration, all proceedings pursuant hereto shall be governed by the law of the state in which the Company has its principal office.

Article 27 - Service of Suit (BRMA 49C)

(Applicable if the Reinsurer is not domiciled in the United States of America, and/or is not authorized in any State, Territory or District of the United States where authorization is required by insurance regulatory authorities)

- A. It is agreed that in the event the Reinsurer fails to pay any amount claimed to be due hereunder, the Reinsurer, at the request of the Company, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction 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.
- B. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Reinsurer hereby designates the party named in its Interests and Liabilities Agreement, or if no party is named therein, the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract.

Article 28 - Severability (BRMA 72E)

If any provision of this Contract shall be rendered illegal or unenforceable by the laws, regulations or public policy of any state, such provision shall be considered void in such state, but this shall not affect the validity or enforceability of any other provision of this Contract or the enforceability of such provision in any other jurisdiction.

Article 29 - Governing Law (BRMA 71B)

This Contract shall be governed by and construed in accordance with the laws of the State of Florida.

Article 30 - Confidentiality

- A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract, including all information obtained through any audits and any claims information between the Company and the Reinsurer, and any submission or other materials relating to any renewal (hereinafter referred to as "Confidential Information") are proprietary and confidential to the Company.
- B. Except as provided for in paragraph C below, the Reinsurer shall not disclose any Confidential Information to any third parties, including but not limited to the Reinsurer's subsidiaries and affiliates, other insurance companies and their subsidiaries and affiliates, underwriting agencies, research organizations, any unaffiliated entity engaged in modeling insurance or reinsurance data, and statistical rating organizations.
- C. Confidential Information may be used by the Reinsurer only in connection with the performance of its obligations or enforcement of its rights under this Contract and will only be disclosed when required by (1) retrocessionaires subject to the business ceded to this

Contract, (2) regulators performing an audit of the Reinsurer's records and/or financial condition, (3) external auditors performing an audit of the Reinsurer's records in the normal course of business, or (4) the Reinsurer's legal counsel; provided that the Reinsurer advises such parties of the confidential nature of the Confidential Information and their obligation to maintain its confidentiality. The Company may require that any third-party representatives of the Reinsurer agree, in writing, to be bound by this Confidentiality Article or by a separate written confidentiality agreement, containing terms no less stringent than those set forth in this Article. If a third-party representative of the Reinsurer is not bound, in writing, by this Confidentiality Article or by a separate written confidentiality agreement, the Reinsurer shall be responsible for any breach of this provision by such third-party representative of the Reinsurer.

- D. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure, to the extent legally permissible, and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.
- E. Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of Non-Public Personally Identifiable Information. "Non-Public Personally Identifiable Information" shall be defined as this term or a similar term is defined in any applicable state, provincial, territory, or federal law. Disclosing or using this information for any purpose not authorized by applicable law is expressly forbidden without the prior consent of the Company.
- F. The parties agree that any information subject to privilege, including the attorney-client privilege or attorney work product doctrine (collectively "Privilege") shall not be disclosed to the Reinsurer until, in the Company's opinion, such Privilege is deemed to be waived or otherwise compromised by virtue of its disclosure pursuant to this Contract. Furthermore, the Reinsurer shall not assert that any Privilege otherwise applicable to the Confidential Information has been waived or otherwise compromised by virtue of its disclosure pursuant to this Contract.
- G. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

Article 31 - Non-Waiver

The failure of the Company or Reinsurer to insist on compliance with this Contract or to exercise any right, remedy or option hereunder shall not: (1) constitute a waiver of any rights contained in this Contract, (2) prevent the Company or Reinsurer from thereafter demanding full and complete compliance, (3) prevent the Company or Reinsurer from exercising such remedy in the future, nor (4) affect the validity of this Contract or any part thereof.

Article 32 - Notices and Contract Execution

- A. Whenever a notice, statement, report or any other written communication is required by this Contract, unless otherwise specified, such notice, statement, report or other written communication may be transmitted by certified or registered mail, nationally or internationally recognized express delivery service, personal delivery, electronic mail, or facsimile. With the exception of notices of termination, first class mail is also acceptable.
- B. The use of any of the following shall constitute a valid execution of this Contract or any amendments thereto:
1. Paper documents with an original ink signature;
 2. Facsimile or electronic copies of paper documents showing an original ink signature; and/or
 3. Electronic records with an electronic signature made via an electronic agent. For the purposes of this Contract, the terms "electronic record," "electronic signature" and "electronic agent" shall have the meanings set forth in the Electronic Signatures in Global and National Commerce Act of 2000 or any amendments thereto.
- C. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

Article 33 - Intermediary

Aon Benfield Inc., or one of its affiliated corporations duly licensed as a reinsurance intermediary, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss adjustment expense, salvages and loss settlements) relating to this Contract 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.

In Witness Whereof, the Company by its duly authorized representative has executed this Contract as of the date specified below:

This _____ day of _____ in the year _____.

Federated National Insurance Company

/s/ Michael H. Braun

*/s/ signed by all participating reinsurers

War Exclusion Clause

As regards interests which at time of loss or damage are on shore, no liability shall attach hereto in respect of any loss or damage which is occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law or confiscation by order of any government or public authority.

Nuclear Incident Exclusion Clause - Physical Damage - Reinsurance (U.S.A.)

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.

12/12/57
N.M.A. 1119
BRMA 35B

**Terrorism Exclusion
(Property Treaty Reinsurance)**

Notwithstanding any provision to the contrary within this Contract or any amendment thereto, it is agreed that this Contract 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:

1. Involves violence against one or more persons, or
2. Involves damage to property; or
3. Endangers life other than the person committing the action; or
4. Creates a risk to health or safety of the public or a section of the public; or
5. Is designed to interfere with or disrupt an electronic system.

This Contract 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.

Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract will pay actual loss or damage (but not related cost and expense) caused by any act of terrorism provided such act is not directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with radiological, biological, chemical, or nuclear pollution or contamination.

The Interests and Liabilities Agreements, constituting 55 pages in total, have been omitted in accordance with Rule 24b-2 under the Exchange Act. These pages have been filed separately with the Securities and Exchange Commission.

**Multi-Year Excess Catastrophe
Reinsurance Contract**
Effective: July 1, 2016

Federated National Insurance Company
Sunrise, Florida

*****Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

First Excess Catastrophe

Reinsurer(s)	Participation(s)
Endurance Specialty Insurance Ltd.**	*%
Everest Reinsurance Company	*%
Hamilton Re, Ltd.	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters Per Signing Page(s)**	*%
Total	<hr/> *%

Second Excess Catastrophe

Reinsurer(s)	Participation(s)
American Standard Insurance Company of Wisconsin	*%
Arch Reinsurance Ltd.	*%
Ariel Re Bda Limited	
for and on behalf of Ariel Syndicate No. 1910	*%
Chubb Tempest Reinsurance Ltd.**	*%
DaVinci Reinsurance Ltd.**	*%
Endurance Specialty Insurance Ltd.**	*%
Everest Reinsurance Company	*%
Fidelis Insurance Bermuda Limited	*%
Hamilton Re, Ltd.	*%
Hiscox Insurance Company (Bermuda) Limited	*%
Partner Reinsurance Company Ltd.	*%
Renaissance Reinsurance Ltd.**	*%
XL Bermuda Ltd	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Peak Reinsurance Company Limited**	*%
Pioneer Underwriting Limited	
for and on behalf of Peak Reinsurance Company Limited**	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters Per Signing Page(s)* *	*%
Total	<hr/> *%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

Third Excess Catastrophe

Reinsurer(s)	Participation(s)
Allied World Assurance Company, Ltd	*%
American Standard Insurance Company of Wisconsin	*%
Ariel Re Bda Limited	
for and on behalf of Ariel Syndicate No. 1910	*%
Endurance Specialty Insurance Ltd.**	*%
Fidelis Insurance Bermuda Limited	*%
Odyssey Reinsurance Company	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Peak Reinsurance Company Limited**	*%
Pioneer Underwriting Limited	
for and on behalf of Peak Reinsurance Company Limited**	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters Per Signing Page(s)**	*%
Total	<hr/> *%

Fourth Excess Catastrophe

Reinsurer(s)	Participation(s)
Allied World Assurance Company, Ltd	*%
American Standard Insurance Company of Wisconsin	*%
Fidelis Insurance Bermuda Limited	*%
Odyssey Reinsurance Company	*%
Qatar Reinsurance Company Limited	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Peak Reinsurance Company Limited**	*%
Pioneer Underwriting Limited	
for and on behalf of Peak Reinsurance Company Limited**	*%
Pioneer Underwriting Limited	
for and on behalf of Taiping Reinsurance Co. Ltd.* *	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters Per Signing Page(s)* *	*%
Total	<hr/> *%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

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**Multi-Year Excess Catastrophe
Reinsurance Contract
Effective: July 1, 2016**

entered into by and between

Federated National Insurance Company
Sunrise, Florida
(*hereinafter referred to as the "Company"*)

and

The Subscribing Reinsurer(s) Executing the
Interests and Liabilities Agreement(s)
Attached Hereto
(*hereinafter referred to as the "Reinsurer"*)

Article 1 - Classes of Business Reinsured

By this Contract the Reinsurer agrees to reinsure the excess liability which may accrue to the Company under its policies in force at the effective time and date hereof or issued or renewed at or after that time and date, and classified by the Company as Property business, including but not limited to, Dwelling Fire, Inland Marine, Mobile Home, Commercial and Homeowners business (including any business assumed from Citizens Property Insurance Corporation), subject to the terms, conditions and limitations set forth herein and in Schedule A attached hereto.

Article 2 - Commencement and Termination

- A. This Contract shall become effective at 12:01 a.m., Eastern Standard Time, July 1, 2016, with respect to losses arising out of loss occurrences commencing at or after that time and date, and shall remain in force until 12:01 a.m., Eastern Standard Time, July 1, 2018.
- B. Notwithstanding the provisions of paragraph A above, the Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event any of the following circumstances occur:
 - 1. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at the inception of any contract year has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) 12 months prior to that date; or
 - 2. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at any time during any contract year has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) at the date of the Subscribing Reinsurer's most recent financial statement

filed with regulatory authorities and available to the public as of the inception of any contract year; or

3. The Subscribing Reinsurer's A.M. Best's rating has been assigned or downgraded below A- and/or Standard & Poor's rating has been assigned or downgraded below BBB+; or
 4. The Subscribing Reinsurer has become, or has announced its intention to become, merged with, acquired by or controlled by any other entity or individual(s) not controlling the Subscribing Reinsurer's operations previously; or
 5. A State Insurance Department or other legal authority has ordered the Subscribing Reinsurer to cease writing business; or
 6. The Subscribing Reinsurer has become insolvent or has been placed into liquidation, receivership, supervision, administration, winding-up or under a scheme of arrangement, or similar proceedings (whether voluntary or involuntary) or proceedings have been instituted against the Subscribing Reinsurer for the appointment of a receiver, liquidator, rehabilitator, supervisor, administrator, conservator or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations; or
 7. The Subscribing Reinsurer has reinsured its entire liability under this Contract without the Company's prior written consent; or
 8. The Subscribing Reinsurer has ceased assuming new or renewal property or casualty treaty reinsurance business; or
 9. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid; or
 10. The Subscribing Reinsurer has failed to comply with the funding requirements set forth in the Reserves Article.
- C. "Contract year" as used in this Contract shall mean the period from 12:01 a.m., Eastern Standard Time, July 1, 2016 to 12:01 a.m., Eastern Standard Time, July 1, 2017, and each respective 12-month period thereafter that this Contract continues in force. However, in the event this Contract or a Subscribing Reinsurer's share in this Contract is terminated, the final contract year as respects the terminated share(s) shall be the period from the beginning of the then current contract year to the effective time and date of termination.
- D. In the event a loss occurrence covered hereunder is in progress at the end of any contract year, the entire loss arising out of the loss occurrence will be charged to the contract year in which the loss occurrence commenced, subject to the other terms and conditions of this Contract.
- E. Should this Contract expire or terminate while a loss occurrence covered hereunder is in progress, all losses arising from such loss occurrence will be deemed to have been incurred prior to the expiration or termination of this Contract, subject to the other conditions

of this Contract, and provided that no part of said loss occurrence is claimed against any renewal or replacement of this Contract.

Article 3 - Territory

The territorial limits of this Contract shall be identical with those of the Company's policies.

Article 4 - Exclusions

A. This Contract does not apply to and specifically excludes the following:

1. Reinsurance assumed by the Company under obligatory reinsurance agreements, except business assumed by the Company from Citizens Property Insurance Corporation.
2. Hail damage to growing or standing crops.
3. Business rated, coded or classified as Flood insurance or which should have been rated, coded or classified as such.
4. Business rated, coded or classified as Mortgage Impairment and Difference in Conditions insurance or which should have been rated, coded or classified as such.
5. Title insurance and all forms of Financial Guarantee, Credit and Insolvency.
6. Aviation, Ocean Marine, Boiler and Machinery, Fidelity and Surety, Accident and Health, Animal Mortality and Workers Compensation and Employers Liability.
7. Errors and Omissions, Malpractice and any other type of Professional Liability insurance.
8. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company's property loss under the applicable original policy.
9. Loss or liability as excluded under the provisions of the "War Exclusion Clause" attached to and forming part of this Contract.
10. Nuclear risks as defined in the "Nuclear Incident Exclusion Clause - Physical Damage - Reinsurance (U.S.A.)" attached to and forming part of this Contract.
11. Loss or liability excluded by the Pools, Associations and Syndicates Exclusion Clause (Catastrophe) attached to and forming part of this Contract and any assessment or similar demand for payment related to the FHCF or Citizens Property Insurance Corporation.

12. Loss or 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, however denominated, established or governed, which 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.
13. Losses in the respect of overhead transmission and distribution lines other than those on or within 150 meters (or 500 feet) of the insured premises.
14. Mold, unless resulting from a peril otherwise covered under the policy involved.
15. Loss or liability as excluded under the provisions of the "Terrorism Exclusion" attached to and forming part of this Contract.
16. All property loss, damage, destruction, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including, but not limited to, Computer Virus) or loss of use, reduction in functionality, cost, expense or whatsoever nature resulting therefrom, unless resulting from a peril otherwise covered under the policy involved.

"Electronic Data" as used herein means facts, concepts and information converted to a form usable for communications, interpretation or processing by electronic and electromechanical data processing or electronically-controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Computer Virus" as used herein means a set of corrupting, harmful or otherwise unauthorized instructions or code, including a set of maliciously-introduced, unauthorized instructions or code, that propagate themselves through a computer system network of whatsoever nature.

However, in the event that a peril otherwise covered under the policy results from any of the matters described above, this Contract, subject to all other terms and conditions, will cover physical damage directly caused by such listed peril.

Article 5 - Florida Hurricane Catastrophe Fund

The Company has purchased 75.0% of the FHCF mandatory layer of coverage and shall be deemed to inure to the benefit of this Contract. Further, any FHCF loss reimbursement shall be deemed to be paid to the Company in accordance with the FHCF reimbursement contract at the full payout level set forth therein and will be deemed not to be reduced by any reduction or exhaustion of the FHCF's claims-paying capacity as respects the mandatory FHCF coverage.

Article 6 - Other Reinsurance

- A. The Company shall be permitted to carry other reinsurance, recoveries under which shall inure solely to the benefit of the Company and be entirely disregarded in applying all of the provisions of this Contract.
- B. The Company will deem in place a FHCF Supplement Layer Reinsurance Contract, which shall be deemed to be placed at 15.0% for each contract year, recoveries of which shall be deemed to inure to the benefit of this Contract.

Article 7 - Retention and Limit

- A. As respects the first contract year, the Company shall retain and be liable for the first \$20,500,000 of ultimate net loss arising out of each loss occurrence.
- B. As respects the second contract year, the Company shall retain and be liable for the amount of ultimate net loss arising out of each loss occurrence, calculated as follows:

- C. The Reinsurer shall then be liable, as respects each excess layer, for the amount by which such ultimate net loss exceeds the Company's applicable retention, but the liability of the Reinsurer under each excess layer shall not exceed the amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, as respects any one loss occurrence.

Whether a loss occurrence results in an ultimate net loss under one or more of the excess layers set forth in Schedule A attached hereto, the Company's retention will not exceed an amount equal to the applicable retention as set forth above, for the applicable contract year, of ultimate net loss arising out of such loss occurrence.

- D. As respects each contract year, recoveries shall always be made, in the first instance, under the lowest excess layer that is not entirely exhausted. If there is any amount of ultimate net loss arising out of a loss occurrence in excess of the Company's retention under the lowest excess layer that has not been recovered thereunder for that contract year, such amount shall be recovered under the next or subsequent excess layer or layers, as appropriate. Recoveries under each excess layer set forth in Schedule A attached to and forming part of this Contract shall inure as follows (with such excess layers deemed placed at 100% prior to inuring):
 - 1. 100% recoveries under the First Excess layer shall inure to the benefit of the Second Excess layer;
 - 2. 100% recoveries under the First and Second Excess layers shall inure to the benefit of the Third Excess layer; and
 - 3. 100% recoveries under the First, Second and Third Excess layers shall inure to the benefit of the Fourth Excess layer.

It is understood, however, that any fully exhausted excess layer or the exhausted portion of any excess layer during a contract year shall no longer inure to the benefit of any subsequent excess layer(s) for such contract year.

- E. Notwithstanding the provisions above, no claim shall be made hereunder as respects losses arising out of loss occurrences commencing during the term of this Contract unless at least two risks insured or reinsured by the Company are involved in such loss occurrence. For purposes hereof, the Company shall be the sole judge of what constitutes "one risk."

Article 8 - Reinstatement

- A. In the event all or any portion of the reinsurance under any excess layer of reinsurance coverage provided by this Contract is exhausted by ultimate net loss, the amount so exhausted shall be reinstated immediately from the time the loss occurrence commences hereon. For each amount so reinstated the Company agrees to pay additional premium equal to the product of the following:
1. The percentage of the occurrence limit for the excess layer reinstated (based on the ultimate net loss paid by the Reinsurer under that excess layer); times
 2. The earned reinsurance premium for the excess layer reinstated for the contract year (exclusive of reinstatement premium).
- B. Whenever the Company requests payment by the Reinsurer of any ultimate net loss under any excess layer hereunder, the Company shall submit a statement to the Reinsurer of reinstatement premium due the Reinsurer for that excess layer. If the earned reinsurance premium for any excess layer for the contract year has not been finally determined as of the date of any such statement, the calculation of reinstatement premium due for that excess layer shall be based on the applicable contract year deposit premium for that excess layer, and shall be readjusted when the final adjusted reinsurance premium for that excess layer for the contract year has been finally determined. Any reinstatement premium shown to be due the Reinsurer for any excess layer as reflected by any such statement (less prior payments, if any, for that excess layer) shall be payable by the Company concurrently with payment by the Reinsurer of the requested ultimate net loss for that excess layer. Any return reinstatement premium shown to be due the Company shall be remitted by the Reinsurer as promptly as possible after receipt and verification of the Company's statement.
- C. Notwithstanding anything stated herein, the liability of the Reinsurer for ultimate net loss under any excess layer of reinsurance coverage provided by this Contract shall not exceed either of the following:
1. The amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, as respects loss or losses arising out of any one loss occurrence; or
 2. The amount, shown as "Reinsurer's Contract Year Limit" for that excess layer in Schedule A attached hereto, in all during any one contract year.

Article 9 - Definitions

- A. "Loss adjustment expense," regardless of how such expenses are classified for statutory reporting purposes, as used in this Contract shall mean all costs and expenses allocable to a specific claim that are incurred by the Company in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim, including court costs and costs of supersedeas and appeal bonds, and including a) pre-judgment interest, unless included as part of the award or judgment; b) post-judgment interest; c) legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including Declaratory Judgment Expense; and d) expenses and a pro rata share of salaries of the Company field employees, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract.

Loss adjustment expense as defined above does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of employees, other than in (d) above, and office and other overhead expenses.

- B. "Loss in excess of policy limits" and "extra contractual obligations" as used in this Contract shall mean:
1. "Loss in excess of policy limits" shall mean 90.0% of any amount paid or payable by the Company in excess of its policy limits, but otherwise within the terms of its policy, such loss in excess of the Company's policy limits having been incurred because of, but not limited to, failure by the Company to settle within the policy limits or by reason of the Company's alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of an action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such an action. Any loss in excess of policy limits that is made in connection with this Contract shall not exceed 25.0% of the actual catastrophe loss.
 2. "Extra contractual obligations" shall mean 90.0% of any punitive, exemplary, compensatory or consequential damages paid or payable by the Company, not covered by any other provision of this Contract and which arise from the handling of any claim on business subject to this Contract, such liabilities arising because of, but not limited to, failure by the Company to settle within the policy limits or by reason of the Company's alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of an action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such an action. An extra contractual obligation shall be deemed, in all circumstances, to have occurred on the same date as the loss covered or alleged to be covered under the policy. Any extra contractual obligations that are made in connection with this Contract shall not exceed 25.0% of the actual catastrophe loss.

Notwithstanding anything stated herein, this Contract shall not apply to any loss in excess of policy limits or any extra contractual obligation incurred by the Company as a result of any fraudulent and/or criminal act by any officer or director of the Company acting individually or collectively or in collusion with any individual or corporation or any other

organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

- C. "Policies" as used in this Contract shall mean all policies, contracts and binders of insurance or reinsurance.
- D. "Ultimate net loss" as used in this Contract shall mean the sum or sums (including loss in excess of policy limits, extra contractual obligations and loss adjustment expense, as defined herein) paid or payable by the Company in settlement of claims and in satisfaction of judgments rendered on account of such claims, after deduction of all salvage, all recoveries and all claims on inuring insurance or reinsurance, whether collectible or not. Nothing herein shall be construed to mean that losses under this Contract are not recoverable until the Company's ultimate net loss has been ascertained.

Article 10 - Loss Occurrence

- A. The term "loss occurrence" shall 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. However, the duration and extent of any one "loss occurrence" shall 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" shall be further defined as follows:

- 2. As regards storm or storm systems that are not a named storm, including, by way of example and not limitation, ensuing wind, gusts, typhoon, tropical storm, hail, rain, tornados, cyclones, ensuing flood, storm surge, fire following, sprinkler leakage, riots, vandalism, collapse and water damage, all individual losses sustained by the Company occurring during any period of 144 consecutive hours arising out of, caused by, occurring during, occasioned by or resulting from the same event. However, the event need not be limited to one state or province or states or provinces contiguous thereto.
- 3. 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 96 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 96 consecutive hours may be extended in respect of individual losses which occur beyond such 96 consecutive hours during the continued occupation of an assured's premises by strikers, provided such occupation commenced during the aforesaid period.
- 4. As regards earthquake (the epicenter of which need not necessarily be within the territorial confines referred to in paragraph A of this Article) and fire following directly occasioned by the earthquake, only those individual fire losses which commence

during the period of 168 consecutive hours may be included in the Company's loss occurrence.

5. As regards freeze, only individual losses directly occasioned by collapse, breakage of glass and water damage (caused by bursting frozen pipes and tanks) may be included in the Company's loss occurrence.
 6. As regards firestorms, brush fires and any other fires or series of fires, irrespective of origin (except as provided in subparagraphs 3 and 4 above), all individual losses sustained by the Company which commence during any period of 168 consecutive hours within the area of one state of the United States or province of Canada and states or provinces contiguous thereto and to one another may be included in the Company's loss occurrence.
- B. For all loss occurrences hereunder, the Company may choose the date and time when any such period of consecutive hours commences, 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 or series of disasters, accidents, or losses. Furthermore:
1. For all loss occurrences other than those referred to in subparagraphs A.1., A.2., and A.3. above, only one such period of 168 consecutive hours shall apply with respect to one event.
 2. As regards those loss occurrences referred to in subparagraphs A.1. and A.2., only one such period of consecutive hours (as set forth therein) shall apply with respect to one event, regardless of the duration of the event.
 3. As regards those loss occurrences referred to in subparagraph A.3. above, if the disaster, accident, or loss or series of disasters, accidents, or losses occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident, or loss or series of disasters, accidents, or losses into two or more loss occurrences, provided that no two periods overlap and no individual loss is included in more than one such period.
- C. It is understood that losses arising from a combination of two or more perils as a result of the same event may be considered as having arisen from one loss occurrence. Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and no single loss occurrence shall encompass a time period greater than 168 consecutive hours, except as regards those loss occurrences referred to in subparagraphs A.1., A.4. and A.6. above.

Article 11 - Loss Notices and Settlements

- A. Whenever losses sustained by the Company are reserved by the Company for an amount greater than 50.0% of the Company's retention under any excess layer hereunder and/or appear likely to result in a claim under such excess layer, the Company shall notify the Subscribing Reinsurers under that excess layer and shall provide updates related to

development of such losses. The Reinsurer shall have the right to participate in the adjustment of such losses at its own expense.

- B. All loss settlements made by the Company, provided they are within the terms of this Contract and the terms of the original policy (with the exception of loss in excess of policy limits or extra contractual obligations coverage, if any, under this Contract), shall be binding upon the Reinsurer, and the Reinsurer agrees to pay all amounts for which it may be liable upon receipt of reasonable evidence of the amount paid by the Company.

Article 12 - Cash Call

Notwithstanding the provisions of the Loss Notices and Settlements Article, upon the request of the Company, the Reinsurer shall pay any amount with regard to a loss settlement or settlements that are scheduled to be made (including any payments projected to be made) within the next 20 days by the Company, subject to receipt by the Reinsurer of a satisfactory proof of loss. Such agreed payment shall be made within 10 days from the date the demand for payment was transmitted to the Reinsurer.

Article 13 - Salvage and Subrogation

The Reinsurer shall be credited with salvage (i.e., reimbursement obtained or recovery made by the Company, less the actual cost, excluding salaries of officials and employees of the Company and sums paid to attorneys as retainer, of obtaining such reimbursement or making such recovery) on account of claims and settlements involving reinsurance hereunder. Salvage thereon shall always be used to reimburse the excess carriers in the reverse order of their priority according to their participation before being used in any way to reimburse the Company for its primary loss. The Company hereby agrees to enforce its rights to salvage or subrogation relating to any loss, a part of which loss was sustained by the Reinsurer, and to prosecute all claims arising out of such rights, if, in the Company's opinion, it is economically reasonable to do so.

Article 14 - Reinsurance Premium

- A. As respects the first contract year, the Company shall pay the Reinsurer an annual deposit premium for each excess layer of the amount, shown as "First Contract Year Deposit Premium" for that excess layer in Schedule A attached hereto, in four equal installments of the amount, shown as "First Contract Year Deposit Premium Installment" for that excess layer in Schedule A attached hereto, on July 1, October 1, January 1 and April 1 of that contract year. However, in the event this Contract is terminated, there shall be no deposit premium installments due after the effective date of termination.
- B. As respects the first contract year, as premium for each excess layer of reinsurance coverage provided by this Contract, the Company shall pay the Reinsurer a premium equal to the product of the following (or a pro rata portion thereof in the event the first contract year is less than 12 months), subject to an annual minimum premium of the amount, shown as "First Contract Year Minimum Premium" for that excess layer in Schedule A attached

hereto (or a pro rata portion thereof in the event the first contract year is less than 12 months):

1. The amount, shown as "First Contract Year Deposit Premium" for that excess layer in Schedule A attached hereto; times
 2. The percentage calculated by dividing (a) the actual Average Annual Loss ("AAL") determined by the Company's wind insurance in force on September 30, 2016, by (b) the original AAL of the amount, shown as "AAL" for that excess layer in Schedule A attached hereto.
- C. The Company's AAL shall be derived by averaging the applicable data produced by Applied Insurance Research (AIR) Touchstone v3.1 catastrophe modeling software, in the long term perspective, including demand surge, but excluding storm surge, and Risk Management Solutions (RMS) RiskLink v15 catastrophe modeling software, in the long-term perspective, including loss amplification, but excluding storm surge. It is understood that the calculation of the actual AAL shall be based on the amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, net of (1) the FHCF mandatory layer of coverage purchased by the Company for the first contract year, and of (2) the Company's FHCF Supplement Layer Reinsurance Contract, which shall be deemed to be placed at 15.0%.
- D. However, if the difference between the amount, shown as "First Contract Year Deposit Premium" for that excess layer in Schedule A attached hereto, and the premium calculated in accordance with paragraph B above for the excess layer is less than a 10.0% increase or decrease, the premium due the Reinsurer will equal the amount, shown as "First Contract Year Deposit Premium" for that excess layer in Schedule A attached hereto.
- E. As respects the second contract year, the Company shall pay the Reinsurer an annual deposit premium for each excess layer, as calculated below ("Second Contract Year Deposit Premium"), in four equal installments on July 1, October 1, January 1 and April 1 of that contract year. However, in the event this Contract is terminated, there shall be no deposit premium installments due after the effective date of termination.

- F. As respects the second contract year, as premium for each excess layer of reinsurance coverage provided by this Contract, the Company shall pay the Reinsurer a premium equal to the product of the following (or a pro rata portion thereof in the event the final contract year is less than 12 months), subject to an annual minimum premium of the amount equal to 80.0% of the Second Contract Year Deposit Premium for each excess layer (or a pro rata portion thereof in the event the final contract year is less than 12 months):

"Actual Loss on Line" shall mean the Company's AAL determined by the Company's actual wind insurance in force on September 30, 2017, divided by the Reinsurer's Per Occurrence Limit for that excess layer.

- H. As respects paragraphs E and G above, it is understood that the calculation of the actual AAL shall be based on the amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, net of (1) the FHCF 75% mandatory layer of coverage purchased by the Company for the applicable contract year, and of (2) the applicable renewal of the Company's FHCF Supplement Layer Reinsurance Contract, which shall be deemed to be placed at 15.0%.
- I. However, if the difference between the amount, shown as "Second Contract Year Deposit Premium" for that excess layer in Schedule A attached hereto, and the premium calculated in accordance with paragraph F above for the excess layer is less than a 10.0% increase or decrease, the premium due the Reinsurer will equal the "Second Contract Year Deposit Premium " for that excess layer.
- J. On or before June 30 of each contract year, the Company shall provide a report to the Reinsurer setting forth the premium due hereunder for each excess layer for the contract year, computed in accordance with paragraphs A and F above, and any additional premium due the Reinsurer or return premium due the Company for each such excess layer shall be remitted promptly.

Article 15 - Sanctions

Neither the Company nor any Subscribing Reinsurer shall be liable for premium or loss under this Contract if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

Article 16 - Late Payments

- A. The provisions of this Article shall not be implemented unless specifically invoked, in writing, by one of the parties to this Contract.
- B. In the event any premium, loss or other payment due either party is not received by the intermediary named in the Intermediary Article (hereinafter referred to as the "Intermediary") by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest charge on the amount past due calculated for each such payment on the last business day of each month as follows:
 - 1. The number of full days which have expired since the due date or the last monthly calculation, whichever the lesser; times
 - 2. 1/365ths of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made; times
 - 3. The amount past due, including accrued interest.

It is agreed that interest shall accumulate until payment of the original amount due plus interest charges have been received by the Intermediary.

- C. The establishment of the due date shall, for purposes of this Article, be determined as follows:
1. As respects the payment of routine deposits and premiums due the Reinsurer, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 30 days after the date of transmittal by the Intermediary of the initial billing for each such payment.
 2. Any claim or loss payment due the Company hereunder shall be deemed due 10 days after the proof of loss or demand for payment is transmitted to the Reinsurer. If such loss or claim payment is not received within the 10 days, interest will accrue on the payment or amount overdue in accordance with paragraph B above, from the date the proof of loss or demand for payment was transmitted to the Reinsurer.
 3. As respects any payment, adjustment or return due either party not otherwise provided for in subparagraphs 1 and 2 of this paragraph C, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 10 days following transmittal of written notification that the provisions of this Article have been invoked.

For purposes of interest calculations only, amounts due hereunder shall be deemed paid upon receipt by the Intermediary.

- D. Nothing herein shall be construed as limiting or prohibiting a Subscribing Reinsurer from contesting the validity of any claim, or from participating in the defense of any claim or suit, or prohibiting either party from contesting the validity of any payment or from initiating any arbitration or other proceeding in accordance with the provisions of this Contract. If the debtor party prevails in an arbitration or other proceeding, then any interest charges due hereunder on the amount in dispute shall be null and void. If the debtor party loses in such proceeding, then the interest charge on the amount determined to be due hereunder shall be calculated in accordance with the provisions set forth above unless otherwise determined by such proceedings. If a debtor party advances payment of any amount it is contesting, and proves to be correct in its contestation, either in whole or in part, the other party shall reimburse the debtor party for any such excess payment made plus interest on the excess amount calculated in accordance with this Article.
- E. Interest charges arising out of the application of this Article that are \$1,000 or less from any party shall be waived unless there is a pattern of late payments consisting of three or more items over the course of any 12-month period.

Article 17 - Offset

The Company and the Reinsurer may offset any balance or amount due from one party to the other under this Contract or any other contract heretofore or hereafter entered into between the Company and the Reinsurer, whether acting as assuming reinsurer or ceding company. The provisions of this Article shall not be affected by the insolvency of either party.

Article 18 - Access to Records

The Reinsurer or its designated representatives shall have access at any reasonable time to all records of the Company which pertain in any way to this reinsurance, provided the Reinsurer gives the Company at least 15 days prior notice of request for such access. However, a Subscribing Reinsurer or its designated representatives shall not have any right of access to the records of the Company if it is not current in all undisputed payments due the Company. "Undisputed" as used herein shall mean any amount that the Subscribing Reinsurer has not contested in writing to the Company specifying the reason(s) why the payments are disputed.

Article 19 - Liability of the Reinsurer

- A. The liability of the Reinsurer shall follow that of the Company in every case and be subject in all respects to all the general and specific stipulations, clauses, waivers and modifications of the Company's policies and any endorsements thereon. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.
- B. Nothing herein shall in any manner create any obligations or establish any rights against the Reinsurer in favor of any third party or any persons not parties to this Contract.

Article 20 - Net Retained Lines (BRMA 32E)

- A. This Contract applies only to that portion of any policy which the Company retains net for its own account (prior to deduction of any underlying reinsurance specifically permitted in this Contract), and in calculating the amount of any loss hereunder and also in computing the amount or amounts in excess of which this Contract attaches, only loss or losses in respect of that portion of any policy which the Company retains net for its own account shall be included.
- B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts which may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

Article 21 - Errors and Omissions (BRMA 14F)

Inadvertent delays, errors or omissions made in connection with this Contract or any transaction hereunder shall not relieve either party from any liability which would have attached had such delay, error or omission not occurred, provided always that such error or omission is rectified as soon as possible after discovery.

Article 22 - Currency (BRMA 12A)

- A. Whenever the word "Dollars" or the "\$" sign appears in this Contract, they shall be construed to mean United States Dollars and all transactions under this Contract shall be in United States Dollars.
- B. Amounts paid or received by the Company in any other currency shall be converted to United States Dollars at the rate of exchange at the date such transaction is entered on the books of the Company.

Article 23 - Taxes (BRMA 50B)

In consideration of the terms under which this Contract is issued, the Company will not claim a deduction in respect of the premium hereon when making tax returns, other than income or profits tax returns, to any state or territory of the United States of America or the District of Columbia.

Article 24 - Federal Excise Tax (BRMA 17D)

- A. The Reinsurer has agreed to allow for the purpose of paying the Federal Excise Tax the applicable percentage of the premium payable hereon (as imposed under Section 4371 of the Internal Revenue Code) to the extent such premium is subject to the Federal Excise Tax.
- B. In the event of any return of premium becoming due hereunder the Reinsurer will deduct the applicable percentage from the return premium payable hereon and the Company or its agent should take steps to recover the tax from the United States Government.

Article 25 - Foreign Account Tax Compliance Act

- A. To the extent the Reinsurer is subject to the deduction and withholding of premium payable hereon as set forth in the Foreign Account Tax Compliance Act (Sections 1471-1474 of the Internal Revenue Code), the Reinsurer shall allow such deduction and withholding from the premium payable under this Contract.
- B. In the event of any return of premium becoming due hereunder, the return premium shall be determined and paid in full without regard to any amounts deducted or withheld under paragraph A of this Article. In the event the Company or its agent recovers such premium deductions and withholdings on the return premium from the United States Government, the Company or its agent shall reimburse the Reinsurer for such amounts.

Article 26 - Reserves

- A. The Reinsurer agrees to fund its share of amounts, including but not limited to, the Company's ceded unearned premium and outstanding loss and loss adjustment expense reserves (including all case reserves plus any reasonable amount estimated to be

unreported from known loss occurrences) (hereinafter referred to as "Reinsurer's Obligations") by:

1. Clean, irrevocable and unconditional letters of credit issued and confirmed, if confirmation is required by the insurance regulatory authorities involved, by a bank or banks meeting the NAIC Securities Valuation Office credit standards for issuers of letters of credit and acceptable to said insurance regulatory authorities; and/or
2. Escrow accounts for the benefit of the Company; and/or
3. Cash advances;

if the Reinsurer:

1. Is unauthorized in any state of the United States of America or the District of Columbia having jurisdiction over the Company and if, without such funding, a penalty would accrue to the Company on any financial statement it is required to file with the insurance regulatory authorities involved; or
2. Has an A.M. Best Company's rating equal to or below B++ at the inception of this Contract.

The Reinsurer, at its sole option, may fund in other than cash if its method and form of funding are acceptable to the insurance regulatory authorities involved.

- B. With regard to funding in whole or in part by letters of credit, it is agreed that each letter of credit will be in a form acceptable to insurance regulatory authorities involved, will be issued for a term of at least one year and will include an "evergreen clause," which automatically extends the term for at least one additional year at each expiration date unless written notice of non-renewal is given to the Company not less than 30 days prior to said expiration date. The Company and the Reinsurer further agree, notwithstanding anything to the contrary in this Contract, that said letters of credit may be drawn upon by the Company or its successors in interest at any time, without diminution because of the insolvency of the Company or the Reinsurer, but only for one or more of the following purposes:

1. To reimburse itself for the Reinsurer's share of unearned premiums returned to insureds on account of policy cancellations, unless paid in cash by the Reinsurer;
2. To reimburse itself for the Reinsurer's share of losses and/or loss adjustment expense paid under the terms of policies reinsured hereunder, unless paid in cash by the Reinsurer;
3. To reimburse itself for the Reinsurer's share of any other amounts claimed to be due hereunder, unless paid in cash by the Reinsurer;
4. To fund a cash account in an amount equal to the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, funded by means of a letter of credit which is under non-renewal notice, if said letter of credit has not been renewed or replaced by the Reinsurer 10 days prior to its expiration date;

5. To refund to the Reinsurer any sum in excess of the actual amount required to fund the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, if so requested by the Reinsurer.

In the event the amount drawn by the Company on any letter of credit is in excess of the actual amount required for B(1), B(2) or B(4), or in the case of B(3), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn.

Article 27 - Insolvency

- A. In the event of the insolvency of the Company, this reinsurance shall be payable directly to the Company or to its liquidator, receiver, conservator or statutory successor on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the policy or bond reinsured which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the Court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.
- B. Where two or more Subscribing Reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this Contract as though such expense had been incurred by the Company.
- C. It is further understood and agreed that, in the event of the insolvency of the Company, the reinsurance under this Contract shall be payable directly by the Reinsurer to the Company or to its liquidator, receiver or statutory successor, except as provided by Section 4118(a) of the New York Insurance Law or except (1) where this Contract specifically provides another payee of such reinsurance 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.

Article 28 - Arbitration

- A. As a condition precedent to any right of action hereunder, in the event of any dispute or difference of opinion hereafter arising with respect to this Contract, it is hereby mutually agreed that such dispute or difference of opinion shall be submitted to arbitration. One

Arbiter shall be chosen by the Company, the other by the Reinsurer, and an Umpire shall be chosen by the two Arbiters before they enter upon arbitration, all of whom shall be active or retired disinterested executive officers of insurance or reinsurance companies or Lloyd's London Underwriters. In the event that either party should fail to choose an Arbiter within 30 days following a written request by the other party to do so, the requesting party may choose two Arbiters who shall in turn choose an Umpire before entering upon arbitration. If the two Arbiters fail to agree upon the selection of an Umpire within 30 days following their appointment, each Arbiter shall nominate three candidates within 10 days thereafter, two of whom the other shall decline, and the decision shall be made by drawing lots.

- B. Each party shall present its case to the Arbiters within 30 days following the date of appointment of the Umpire. The Arbiters shall consider this Contract as an honorable engagement rather than merely as a legal obligation and they are relieved of all judicial formalities and may abstain from following the strict rules of law. The decision of the Arbiters shall be final and binding on both parties; but failing to agree, they shall call in the Umpire and the decision of the majority shall be final and binding upon both parties. Judgment upon the final decision of the Arbiters may be entered in any court of competent jurisdiction.
- C. If more than one Subscribing Reinsurer is involved in the same dispute, all such Subscribing Reinsurers shall, at the option of the Company, constitute and act as one party for purposes of this Article and communications shall be made by the Company to each of the Subscribing Reinsurers constituting one party, provided, however, that nothing herein shall impair the rights of such Subscribing Reinsurers to assert several, rather than joint, defenses or claims, nor be construed as changing the liability of the Subscribing Reinsurers participating under the terms of this Contract from several to joint.
- D. Each party shall bear the expense of its own Arbiter, and shall jointly and equally bear with the other the expense of the Umpire and of the arbitration. In the event that the two Arbiters are chosen by one party, as above provided, the expense of the Arbiters, the Umpire and the arbitration shall be equally divided between the two parties.
- E. Any arbitration proceedings shall take place at a location mutually agreed upon by the parties to this Contract, but notwithstanding the location of the arbitration, all proceedings pursuant hereto shall be governed by the law of the state in which the Company has its principal office.

Article 29 - Service of Suit (BRMA 49C)

(Applicable if the Reinsurer is not domiciled in the United States of America, and/or is not authorized in any State, Territory or District of the United States where authorization is required by insurance regulatory authorities)

- A. It is agreed that in the event the Reinsurer fails to pay any amount claimed to be due hereunder, the Reinsurer, at the request of the Company, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction 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.

- B. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Reinsurer hereby designates the party named in its Interests and Liabilities Agreement, or if no party is named therein, the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract.

Article 30 - Severability (BRMA 72E)

If any provision of this Contract shall be rendered illegal or unenforceable by the laws, regulations or public policy of any state, such provision shall be considered void in such state, but this shall not affect the validity or enforceability of any other provision of this Contract or the enforceability of such provision in any other jurisdiction.

Article 31 - Governing Law (BRMA 71B)

This Contract shall be governed by and construed in accordance with the laws of the State of Florida.

Article 32 - Confidentiality

- A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract, including all information obtained through any audits and any claims information between the Company and the Reinsurer, and any submission or other materials relating to any renewal (hereinafter referred to as "Confidential Information") are proprietary and confidential to the Company.
- B. Except as provided for in paragraph C below, the Reinsurer shall not disclose any Confidential Information to any third parties, including but not limited to the Reinsurer's subsidiaries and affiliates, other insurance companies and their subsidiaries and affiliates, underwriting agencies, research organizations, any unaffiliated entity engaged in modeling insurance or reinsurance data, and statistical rating organizations.
- C. Confidential Information may be used by the Reinsurer only in connection with the performance of its obligations or enforcement of its rights under this Contract and will only be disclosed when required by (1) retrocessionaires subject to the business ceded to this Contract, (2) regulators performing an audit of the Reinsurer's records and/or financial condition, (3) external auditors performing an audit of the Reinsurer's records in the normal course of business, or (4) the Reinsurer's legal counsel; provided that the Reinsurer advises such parties of the confidential nature of the Confidential Information and their obligation to maintain its confidentiality. The Company may require that any third-party representatives of the Reinsurer agree, in writing, to be bound by this Confidentiality Article

or by a separate written confidentiality agreement, containing terms no less stringent than those set forth in this Article. If a third-party representative of the Reinsurer is not bound, in writing, by this Confidentiality Article or by a separate written confidentiality agreement, the Reinsurer shall be responsible for any breach of this provision by such third-party representative of the Reinsurer.

- D. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure, to the extent legally permissible, and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.
- E. Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of Non-Public Personally Identifiable Information. "Non-Public Personally Identifiable Information" shall be defined as this term or a similar term is defined in any applicable state, provincial, territory, or federal law. Disclosing or using this information for any purpose not authorized by applicable law is expressly forbidden without the prior consent of the Company.
- F. The parties agree that any information subject to privilege, including the attorney-client privilege or attorney work product doctrine (collectively "Privilege") shall not be disclosed to the Reinsurer until, in the Company's opinion, such Privilege is deemed to be waived or otherwise compromised by virtue of its disclosure pursuant to this Contract. Furthermore, the Reinsurer shall not assert that any Privilege otherwise applicable to the Confidential Information has been waived or otherwise compromised by virtue of its disclosure pursuant to this Contract.
- G. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

Article 33 - Non-Waiver

The failure of the Company or Reinsurer to insist on compliance with this Contract or to exercise any right, remedy or option hereunder shall not: (1) constitute a waiver of any rights contained in this Contract, (2) prevent the Company or Reinsurer from thereafter demanding full and complete compliance, (3) prevent the Company or Reinsurer from exercising such remedy in the future, nor (4) affect the validity of this Contract or any part thereof.

Article 34 - Notices and Contract Execution

- A. Whenever a notice, statement, report or any other written communication is required by this Contract, unless otherwise specified, such notice, statement, report or other written communication may be transmitted by certified or registered mail, nationally or internationally recognized express delivery service, personal delivery, electronic mail, or facsimile. With the exception of notices of termination, first class mail is also acceptable.

- B. The use of any of the following shall constitute a valid execution of this Contract or any amendments thereto:
1. Paper documents with an original ink signature;
 2. Facsimile or electronic copies of paper documents showing an original ink signature; and/or
 3. Electronic records with an electronic signature made via an electronic agent. For the purposes of this Contract, the terms "electronic record," "electronic signature" and "electronic agent" shall have the meanings set forth in the Electronic Signatures in Global and National Commerce Act of 2000 or any amendments thereto.
- C. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

Article 35 - Intermediary

Aon Benfield Inc., or one of its affiliated corporations duly licensed as a reinsurance intermediary, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss adjustment expense, salvages and loss settlements) relating to this Contract 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.

In Witness Whereof, the Company by its duly authorized representative has executed this Contract as of the date specified below:

This _____ day of _____ in the year _____.

Federated National Insurance Company

/s/ Michael H. Braun

/s/ signed by all participating reinsurers

Schedule A

Multi-Year Excess Catastrophe Reinsurance Contract Effective: July 1, 2016

Federated National Insurance Company
Sunrise, Florida

	First Excess	Second Excess	Third Excess	Fourth Excess
Reinsurer's Per Occurrence Limit	*****	*****	*****	*****
Reinsurer's Contract Year Limit	*****	*****	*****	*****
First Contract Year Minimum Premium	*****	*****	*****	*****
AAL	*****	*****	*****	*****
First Contract Year Deposit Premium	*****	*****	*****	*****
First Contract Year Deposit Premium Installments	*****	*****	*****	*****

The figures listed above for each excess layer shall apply to each Subscribing Reinsurer in the percentage share for that excess layer as expressed in its Interests and Liabilities Agreement attached hereto.

War Exclusion Clause

As regards interests which at time of loss or damage are on shore, no liability shall attach hereto in respect of any loss or damage which is occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law or confiscation by order of any government or public authority.

Nuclear Incident Exclusion Clause - Physical Damage - Reinsurance (U.S.A.)

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.

12/12/57
N.M.A. 1119
BRMA 35B

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Pools, Associations and Syndicates Exclusion Clause (Catastrophe)

It is hereby understood and agreed that:

A. This Contract excludes loss or liability arising from:

1. Business derived directly or indirectly from any pool, association, or syndicate which maintains its own reinsurance facilities. This subparagraph 1 shall not apply with respect to:
 - a. Residual market mechanisms created by statute. This Contract shall not extend, however, to afford coverage for liability arising from the inability of any other participant or member in the residual market mechanism to meet its obligations, nor shall this Contract extend to afford coverage for liability arising from any claim against the residual market mechanism brought by or on behalf of any insolvency fund (as defined in the Insolvency Fund Exclusion Clause incorporated in this Contract). For the purposes of this Clause, the California Earthquake Authority shall be deemed to be a "residual market mechanism."
 - b. Inter-agency or inter-government joint underwriting or risk purchasing associations (however styled) created by or permitted by statute or regulation.
2. Those perils insured by the Company that the Company knows, at the time the risk is bound, to be insured by or in excess of amounts insured or reinsured by any pool, association or syndicate formed for the purpose of insuring oil, gas, or petro-chemical plants; oil or gas drilling rigs; and/or aviation risks. This subparagraph 2 shall not apply:
 - a. If the total insured value over all interests of the risk is less than \$250,000,000.
 - b. To interests traditionally underwritten as Inland Marine or Stock or Contents written on a blanket basis.
 - c. To Contingent Business Interruption liability, except when it is known to the Company, at the time the risk is bound, that the key location is insured by or through any pool, association or syndicate formed for the purpose of insuring oil, gas, or petro-chemical plants; oil or gas drilling rigs; and/or aviation risks; unless the total insured value over all interests of the risk is less than \$250,000,000.

B. With respect to loss or liability arising from the Company's participation or membership in any residual market mechanism created by statute, the Company may include in its ultimate net loss only amounts for which the Company is assessed as a direct consequence of a covered loss occurrence, subject to the following provisions:

1. Recovery is limited to perils otherwise protected hereunder.
2. In the event the terms of the Company's participation or membership in any such residual market mechanism permit the Company to recoup any such direct

assessment attributed to a loss occurrence by way of a specific policy premium surcharge or similar levy on policyholders, the amount received by the Company as a result of such premium surcharge or levy shall reduce the Company's ultimate net loss for such loss occurrence.

3. The result of any rate increase filing permitted by the terms of the Company's participation or membership in any such residual market mechanism following any assessment shall have no effect on the Company's ultimate net loss for any covered loss occurrence.
4. The result of any premium tax credit filing permitted by the terms of the Company's participation or membership in any such residual market mechanism following any assessment shall reduce the Company's ultimate net loss for any covered loss occurrence.
5. The Company may not include in its ultimate net loss any amount resulting from an assessment that, pursuant to the terms of the Company's participation or membership in the residual market mechanism, the Company is required to pay only after such assessment is collected from the policyholder.
6. The ultimate net loss hereunder shall not include any monies expended to purchase or retire bonds as a consequence of being a member of a residual market mechanism nor any fines or penalties imposed on the Company for late payment.
7. If, however, a residual market mechanism only provides for assessment based on an aggregate of losses in any one contract or plan year of said mechanism, then the amount of that assessment to be included in the ultimate net loss for any one loss occurrence shall be determined by multiplying the Company's share of the aggregate assessment by a factor derived by dividing the Company's ultimate net loss (net of the assessment) with respect to the loss occurrence by the total of all of its ultimate net losses (net of assessments) from all loss occurrences included by the mechanism in determining the assessment.

8/1/2012

Terrorism Exclusion (Property Treaty Reinsurance)

Notwithstanding any provision to the contrary within this Contract or any amendment thereto, it is agreed that this Contract 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:

1. Involves violence against one or more persons, or
2. Involves damage to property; or
3. Endangers life other than the person committing the action; or
4. Creates a risk to health or safety of the public or a section of the public; or
5. Is designed to interfere with or disrupt an electronic system.

This Contract 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.

Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract will pay actual loss or damage (but not related cost and expense) caused by any act of terrorism provided such act is not directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with radiological, biological, chemical, or nuclear pollution or contamination.

The Interests and Liabilities Agreements, constituting 33 pages in total, have been omitted in accordance with Rule 24b-2 under the Exchange Act. These pages have been filed separately with the Securities and Exchange Commission.

**Non-Florida Property Catastrophe
Excess of Loss Reinsurance Contract**
Effective: July 1, 2016

Federated National Insurance Company
Sunrise, Florida

*****Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

First Excess Catastrophe

Reinsurer(s)	Participation(s)
American Agricultural Insurance Company	*%
American Standard Insurance Company of Wisconsin	*%
AXIS Specialty Limited	*%
Everest Reinsurance Company	*%
Partner Reinsurance Company Ltd.	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
General Insurance Corporation of India	*%
Länsförsäkringar Sak Försäkringsaktiebolag (publ)	*%
Pioneer Underwriting Limited	
for and on behalf of Peak Reinsurance Company Limited	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters Per Signing Page(s)**	*%
Total	<hr/> *%

Second Excess Catastrophe

Reinsurer(s)	Participation(s)
American Agricultural Insurance Company	*%
AXIS Specialty Limited	*%
Total	<hr/> *%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement

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**Non-Florida Property Catastrophe
Excess of Loss Reinsurance Contract
Effective: July 1, 2016**

entered into by and between

Federated National Insurance Company
Sunrise, Florida
(hereinafter referred to as the "Company")

and

The Subscribing Reinsurer(s) Executing the
Interests and Liabilities Agreement(s)
Attached Hereto
(hereinafter referred to as the "Reinsurer")

Article 1 - Classes of Business Reinsured

By this Contract the Reinsurer agrees to reinsure the excess liability which may accrue to the Company under its policies in force at the effective time and date hereof or issued or renewed at or after that time and date, and classified by the Company as Property business, including but not limited to, Dwelling Fire, Inland Marine, Mobile Home, Commercial and Homeowners business (including any business assumed from Citizens Property Insurance Corporation), subject to the terms, conditions and limitations set forth herein and in Schedule A attached hereto.

Article 2 - Commencement and Termination

- A. This Contract shall become effective at 12:01 a.m., Eastern Standard Time, July 1, 2016, with respect to losses arising out of loss occurrences commencing at or after that time and date, and shall remain in force until 12:01 a.m., Eastern Standard Time, July 1, 2017.
- B. Notwithstanding the provisions of paragraph A above, the Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event any of the following circumstances occur:
 - 1. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at the inception of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) 12 months prior to that date; or
 - 2. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at any time during the term of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) at the date of the Subscribing Reinsurer's most recent financial

statement filed with regulatory authorities and available to the public as of the inception of this Contract; or

3. The Subscribing Reinsurer's A.M. Best's rating has been assigned or downgraded below A- and/or Standard & Poor's rating has been assigned or downgraded below BBB+; or
 4. The Subscribing Reinsurer has become, or has announced its intention to become, merged with, acquired by or controlled by any other entity or individual(s) not controlling the Subscribing Reinsurer's operations previously; or
 5. A State Insurance Department or other legal authority has ordered the Subscribing Reinsurer to cease writing business; or
 6. The Subscribing Reinsurer has become insolvent or has been placed into liquidation, receivership, supervision, administration, winding-up or under a scheme of arrangement, or similar proceedings (whether voluntary or involuntary) or proceedings have been instituted against the Subscribing Reinsurer for the appointment of a receiver, liquidator, rehabilitator, supervisor, administrator, conservator or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations; or
 7. The Subscribing Reinsurer has reinsured its entire liability under this Contract without the Company's prior written consent; or
 8. The Subscribing Reinsurer has ceased assuming new or renewal property or casualty treaty reinsurance business; or
 9. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid; or
 10. The Subscribing Reinsurer has failed to comply with the funding requirements set forth in the Reserves Article.
- C. The "term of this Contract" as used herein shall mean the period from 12:01 a.m., Eastern Standard Time, July 1, 2016 to 12:01 a.m., Eastern Standard Time, July 1, 2017. However, if this Contract is terminated, the "term of this Contract" as used herein shall mean the period from 12:01 a.m., Eastern Standard Time, July 1, 2016 to the effective time and date of termination.
- D. If this Contract is terminated or expires while a loss occurrence covered hereunder is in progress, the Reinsurer's liability hereunder shall, subject to the other terms and conditions of this Contract, be determined as if the entire loss occurrence had occurred prior to the termination or expiration of this Contract, provided that no part of such loss occurrence is claimed against any renewal or replacement of this Contract.

Article 3 - Territory

The territorial limits of this Contract shall be identical with those of the Company's policies, excluding risks located in the State of Florida.

Article 4 - Exclusions

A. This Contract does not apply to and specifically excludes the following:

1. Reinsurance assumed by the Company under obligatory reinsurance agreements, except business assumed by the Company from Citizens Property Insurance Corporation.
2. Hail damage to growing or standing crops.
3. Business rated, coded or classified as Flood insurance or which should have been rated, coded or classified as such.
4. Business rated, coded or classified as Mortgage Impairment and Difference in Conditions insurance or which should have been rated, coded or classified as such.
5. Title insurance and all forms of Financial Guarantee, Credit and Insolvency.
6. Aviation, Ocean Marine, Boiler and Machinery, Fidelity and Surety, Accident and Health, Animal Mortality and Workers Compensation and Employers Liability.
7. Errors and Omissions, Malpractice and any other type of Professional Liability insurance.
8. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company's property loss under the applicable original policy.
9. Loss or liability as excluded under the provisions of the "War Exclusion Clause" attached to and forming part of this Contract.
10. Nuclear risks as defined in the "Nuclear Incident Exclusion Clause - Physical Damage - Reinsurance (U.S.A.)" attached to and forming part of this Contract.
11. Loss or liability excluded by the Pools, Associations and Syndicates Exclusion Clause (Catastrophe) attached to and forming part of this Contract and any assessment or similar demand for payment related to the FHCF or Citizens Property Insurance Corporation.
12. Loss or 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, however denominated, established or governed, which 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.

13. Losses in the respect of overhead transmission and distribution lines other than those on or within 150 meters (or 500 feet) of the insured premises.
14. Mold, unless resulting from a peril otherwise covered under the policy involved.
15. Loss or liability as excluded under the provisions of the "Terrorism Exclusion" attached to and forming part of this Contract.
16. All property loss, damage, destruction, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including, but not limited to, Computer Virus) or loss of use, reduction in functionality, cost, expense or whatsoever nature resulting therefrom, unless resulting from a peril otherwise covered under the policy involved.

"Electronic Data" as used herein means facts, concepts and information converted to a form usable for communications, interpretation or processing by electronic and electromechanical data processing or electronically-controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Computer Virus" as used herein means a set of corrupting, harmful or otherwise unauthorized instructions or code, including a set of maliciously-introduced, unauthorized instructions or code, that propagate themselves through a computer system network of whatsoever nature.

However, in the event that a peril otherwise covered under the policy results from any of the matters described above, this Contract, subject to all other terms and conditions, will cover physical damage directly caused by such listed peril.

Article 5 - Retention and Limit

- A. The Company shall retain and be liable for the first \$8,000,000 of ultimate net loss arising out of each loss occurrence. The Reinsurer shall then be liable, as respects each excess layer, for the amount by which such ultimate net loss exceeds the Company's retention, but the liability of the Reinsurer under each excess layer shall not exceed the amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, as respects any one loss occurrence.

Whether a loss occurrence results in an ultimate net loss under one or more of the excess layers set forth in Schedule A attached hereto, the Company's retention will not exceed the first \$8,000,000 of ultimate net loss arising out of such loss occurrence.

- B. Recoveries shall always be made, in the first instance, under the lowest excess layer that is not entirely exhausted. If there is any amount of ultimate net loss arising out of a loss occurrence in excess of the Company's retention under the lowest excess layer that has not been recovered thereunder, such amount shall be recovered under the next excess layer, if appropriate. Recoveries under the First Excess layer set forth in Schedule A shall inure to the benefit of the Second Excess layer.

It is understood, however, that any fully exhausted excess layer or the exhausted portion of any excess layer shall no longer inure to the benefit of any subsequent excess layer(s).

- C. Notwithstanding the provisions above, no claim shall be made hereunder as respects losses arising out of loss occurrences commencing during the term of this Contract unless at least two risks insured or reinsured by the Company are involved in such loss occurrence. For purposes hereof, the Company shall be the sole judge of what constitutes "one risk."

Article 6 - Other Reinsurance

The Company shall be permitted to carry other reinsurance, recoveries under which shall inure solely to the benefit of the Company and be entirely disregarded in applying all of the provisions of this Contract.

Article 7 - Reinstatement

- A. In the event all or any portion of the reinsurance under any excess layer of reinsurance coverage provided by this Contract is exhausted by ultimate net loss, the amount so exhausted shall be reinstated immediately from the time the loss occurrence commences hereon. For each amount so reinstated the Company agrees to pay additional premium equal to the product of the following:
1. The percentage of the occurrence limit for the excess layer reinstated (based on the ultimate net loss paid by the Reinsurer under that excess layer); times
 2. The earned reinsurance premium for the excess layer reinstated for the term of this Contract (exclusive of reinstatement premium).
- B. Whenever the Company requests payment by the Reinsurer of any ultimate net loss under any excess layer hereunder, the Company shall submit a statement to the Reinsurer of reinstatement premium due the Reinsurer for that excess layer. If the earned reinsurance premium for any excess layer for the term of this Contract has not been finally determined as of the date of any such statement, the calculation of reinstatement premium due for that excess layer shall be based on the amount shown as "Annual Deposit Premium" for that excess layer in Schedule A attached hereto, and shall be readjusted when the earned reinsurance premium for that excess layer for the term of this Contract has been finally determined. Any reinstatement premium shown to be due the Reinsurer for any excess layer as reflected by any such statement (less prior payments, if any, for that excess layer) shall be payable by the Company concurrently with payment by the Reinsurer of the requested ultimate net loss for that excess layer. Any return reinstatement premium shown

to be due the Company shall be remitted by the Reinsurer as promptly as possible after receipt and verification of the Company's statement.

- C. Notwithstanding anything stated herein, the liability of the Reinsurer for ultimate net loss under any excess layer of reinsurance coverage provided by this Contract shall not exceed either of the following:
1. The amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, as respects loss or losses arising out of any one loss occurrence; or
 2. The amount, shown as "Reinsurer's Term Limit" for that excess layer in Schedule A attached hereto, in all during the term of this Contract.

Article 8 - Definitions

- A. "Loss adjustment expense," regardless of how such expenses are classified for statutory reporting purposes, as used in this Contract shall mean all costs and expenses allocable to a specific claim that are incurred by the Company in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim, including court costs and costs of supersedeas and appeal bonds, and including a) pre-judgment interest, unless included as part of the award or judgment; b) post-judgment interest; c) legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including Declaratory Judgment Expense; and d) expenses and a pro rata share of salaries of the Company field employees, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract.

Loss adjustment expense as defined above does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of employees, other than in (d) above, and office and other overhead expenses.

- B. "Loss in excess of policy limits" and "extra contractual obligations" as used in this Contract shall mean:
1. "Loss in excess of policy limits" shall mean 90.0% of any amount paid or payable by the Company in excess of its policy limits, but otherwise within the terms of its policy, such loss in excess of the Company's policy limits having been incurred because of, but not limited to, failure by the Company to settle within the policy limits or by reason of the Company's alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of an action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such an action. Any loss in excess of policy limits that is made in connection with this Contract shall not exceed 25.0% of the actual catastrophe loss.
 2. "Extra contractual obligations" shall mean 90.0% of any punitive, exemplary, compensatory or consequential damages paid or payable by the Company, not covered by any other provision of this Contract and which arise from the handling of any claim on business subject to this Contract, such liabilities arising because of, but

not limited to, failure by the Company to settle within the policy limits or by reason of the Company's alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of an action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such an action. An extra contractual obligation shall be deemed, in all circumstances, to have occurred on the same date as the loss covered or alleged to be covered under the policy. Any extra contractual obligations that are made in connection with this Contract shall not exceed 25.0% of the actual catastrophe loss.

Notwithstanding anything stated herein, this Contract shall not apply to any loss in excess of policy limits or any extra contractual obligation incurred by the Company as a result of any fraudulent and/or criminal act by any officer or director of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

- C. "Policies" as used in this Contract shall mean all policies, contracts and binders of insurance or reinsurance.
- D. "Ultimate net loss" as used in this Contract shall mean the sum or sums (including loss in excess of policy limits, extra contractual obligations and loss adjustment expense, as defined herein) paid or payable by the Company in settlement of claims and in satisfaction of judgments rendered on account of such claims, after deduction of all salvage, all recoveries and all claims on inuring insurance or reinsurance, whether collectible or not. Nothing herein shall be construed to mean that losses under this Contract are not recoverable until the Company's ultimate net loss has been ascertained.

Article 9 - Loss Occurrence

- A. The term "loss occurrence" shall 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. However, the duration and extent of any one "loss occurrence" shall 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" shall be further defined as follows:

- 2. As regards storm or storm systems that are not a named storm, including, by way of example and not limitation, ensuing wind, gusts, typhoon, tropical storm, hail, rain, tornados, cyclones, ensuing flood, storm surge, fire following, sprinkler leakage, riots, vandalism, collapse and water damage, all individual losses sustained by the Company occurring during any period of 144 consecutive hours arising out of, caused by, occurring during, occasioned by or resulting from the same event. However, the event need not be limited to one state or province or states or provinces contiguous thereto.

3. 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 96 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 96 consecutive hours may be extended in respect of individual losses which occur beyond such 96 consecutive hours during the continued occupation of an assured's premises by strikers, provided such occupation commenced during the aforesaid period.
 4. As regards earthquake (the epicenter of which need not necessarily be within the territorial confines referred to in paragraph A of this Article) and fire following directly occasioned by the earthquake, only those individual fire losses which commence during the period of 168 consecutive hours may be included in the Company's loss occurrence.
 5. As regards freeze, only individual losses directly occasioned by collapse, breakage of glass and water damage (caused by bursting frozen pipes and tanks) may be included in the Company's loss occurrence.
 6. As regards firestorms, brush fires and any other fires or series of fires, irrespective of origin (except as provided in subparagraphs 3 and 4 above), all individual losses sustained by the Company which commence during any period of 168 consecutive hours within the area of one state of the United States or province of Canada and states or provinces contiguous thereto and to one another may be included in the Company's loss occurrence.
- B. For all loss occurrences hereunder, the Company may choose the date and time when any such period of consecutive hours commences, 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 or series of disasters, accidents, or losses. Furthermore:
1. For all loss occurrences other than those referred to in subparagraphs A.1., A.2., and A.3. above, only one such period of 168 consecutive hours shall apply with respect to one event.
 2. As regards those loss occurrences referred to in subparagraphs A.1. and A.2., only one such period of consecutive hours (as set forth therein) shall apply with respect to one event, regardless of the duration of the event.
 3. As regards those loss occurrences referred to in subparagraph A.3. above, if the disaster, accident, or loss or series of disasters, accidents, or losses occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident, or loss or series of disasters, accidents, or losses into two or more loss occurrences, provided that no two periods overlap and no individual loss is included in more than one such period.
- C. It is understood that losses arising from a combination of two or more perils as a result of the same event may be considered as having arisen from one loss occurrence. Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded

as respects the applicable perils, and no single loss occurrence shall encompass a time period greater than 168 consecutive hours, except as regards those loss occurrences referred to in subparagraphs A.1., A.4. and A.6. above.

Article 10 - Loss Notices and Settlements

- A. Whenever losses sustained by the Company are reserved by the Company for an amount greater than 50.0% of the Company's retention under any excess layer hereunder and/or appear likely to result in a claim under such excess layer, the Company shall notify the Subscribing Reinsurers under that excess layer and shall provide updates related to development of such losses. The Reinsurer shall have the right to participate in the adjustment of such losses at its own expense.
- B. All loss settlements made by the Company, provided they are within the terms of this Contract and the terms of the original policy (with the exception of loss in excess of policy limits or extra contractual obligations coverage, if any, under this Contract), shall be binding upon the Reinsurer, and the Reinsurer agrees to pay all amounts for which it may be liable upon receipt of reasonable evidence of the amount paid by the Company.

Article 11 - Cash Call

Notwithstanding the provisions of the Loss Notices and Settlements Article, upon the request of the Company, the Reinsurer shall pay any amount with regard to a loss settlement or settlements that are scheduled to be made (including any payments projected to be made) within the next 20 days by the Company, subject to receipt by the Reinsurer of a satisfactory proof of loss. Such agreed payment shall be made within 10 days from the date the demand for payment was transmitted to the Reinsurer.

Article 12 - Salvage and Subrogation

The Reinsurer shall be credited with salvage (i.e., reimbursement obtained or recovery made by the Company, less the actual cost, excluding salaries of officials and employees of the Company and sums paid to attorneys as retainer, of obtaining such reimbursement or making such recovery) on account of claims and settlements involving reinsurance hereunder. Salvage thereon shall always be used to reimburse the excess carriers in the reverse order of their priority according to their participation before being used in any way to reimburse the Company for its primary loss. The Company hereby agrees to enforce its rights to salvage or subrogation relating to any loss, a part of which loss was sustained by the Reinsurer, and to prosecute all claims arising out of such rights, if, in the Company's opinion, it is economically reasonable to do so.

Article 13 - Reinsurance Premium

- A. As premium for each excess layer of reinsurance coverage provided by this Contract, the Company shall pay the Reinsurer a premium equal to the product of the following (or a pro rata portion thereof in the event the term of this Contract is less than 12 months), subject to

a minimum premium of the amount, shown as "Minimum Premium" for that excess layer in Schedule A attached hereto (or a pro rata portion thereof in the event the term of this Contract is less than 12 months):

1. The amount, shown as "Annual Deposit Premium" for that excess layer in Schedule A attached hereto; times
2. The percentage calculated by dividing (a) the actual Average Annual Loss ("AAL") determined by the Company's wind insurance in force on September 30, 2016, by (b) the original AAL of the amount, shown as "AAL" for that excess layer in Schedule A attached hereto.

The Company's AAL shall be derived by averaging the applicable data produced by Applied Insurance Research (AIR) Touchstone v3.1 and Risk Management Solutions (RMS) RiskLink v15 catastrophe modeling software, in the long-term perspective, including secondary uncertainty and loss amplification, but excluding storm surge. It is understood that the calculation of the actual AAL shall be based on the amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto.

- B. The Company shall pay the Reinsurer an annual deposit premium for each excess layer of the amount, shown as "Annual Deposit Premium" for that excess layer in Schedule A attached hereto, in four equal installments of the amount, shown as "Deposit Premium Installment" for that excess layer in Schedule A attached hereto, on July 1 and October 1 of 2016, and on January 1 and April 1 of 2017. However, in the event this Contract is terminated, there shall be no deposit premium installments due after the effective date of termination.
- C. On or before June 30, 2017, the Company shall provide a report to the Reinsurer setting forth the premium due hereunder for each excess layer for the term of this Contract, computed in accordance with paragraph A above, and any additional premium due the Reinsurer or return premium due the Company for each such excess layer shall be remitted promptly.

Article 14 - Sanctions

Neither the Company nor any Subscribing Reinsurer shall be liable for premium or loss under this Contract if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

Article 15 - Late Payments

- A. The provisions of this Article shall not be implemented unless specifically invoked, in writing, by one of the parties to this Contract.
- B. In the event any premium, loss or other payment due either party is not received by the intermediary named in the Intermediary Article (hereinafter referred to as the "Intermediary") by the payment due date, the party to whom payment is due may, by

notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest charge on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days which have expired since the due date or the last monthly calculation, whichever the lesser; times
2. 1/365ths of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made; times
3. The amount past due, including accrued interest.

It is agreed that interest shall accumulate until payment of the original amount due plus interest charges have been received by the Intermediary.

C. The establishment of the due date shall, for purposes of this Article, be determined as follows:

1. As respects the payment of routine deposits and premiums due the Reinsurer, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 30 days after the date of transmittal by the Intermediary of the initial billing for each such payment.
2. Any claim or loss payment due the Company hereunder shall be deemed due 10 days after the proof of loss or demand for payment is transmitted to the Reinsurer. If such loss or claim payment is not received within the 10 days, interest will accrue on the payment or amount overdue in accordance with paragraph B above, from the date the proof of loss or demand for payment was transmitted to the Reinsurer.
3. As respects any payment, adjustment or return due either party not otherwise provided for in subparagraphs 1 and 2 of this paragraph C, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 10 days following transmittal of written notification that the provisions of this Article have been invoked.

For purposes of interest calculations only, amounts due hereunder shall be deemed paid upon receipt by the Intermediary.

D. Nothing herein shall be construed as limiting or prohibiting a Subscribing Reinsurer from contesting the validity of any claim, or from participating in the defense of any claim or suit, or prohibiting either party from contesting the validity of any payment or from initiating any arbitration or other proceeding in accordance with the provisions of this Contract. If the debtor party prevails in an arbitration or other proceeding, then any interest charges due hereunder on the amount in dispute shall be null and void. If the debtor party loses in such proceeding, then the interest charge on the amount determined to be due hereunder shall be calculated in accordance with the provisions set forth above unless otherwise determined by such proceedings. If a debtor party advances payment of any amount it is contesting, and proves to be correct in its contestation, either in whole or in part, the other

party shall reimburse the debtor party for any such excess payment made plus interest on the excess amount calculated in accordance with this Article.

- E. Interest charges arising out of the application of this Article that are \$1,000 or less from any party shall be waived unless there is a pattern of late payments consisting of three or more items over the course of any 12-month period.

Article 16 - Offset

The Company and the Reinsurer may offset any balance or amount due from one party to the other under this Contract or any other contract heretofore or hereafter entered into between the Company and the Reinsurer, whether acting as assuming reinsurer or ceding company. The provisions of this Article shall not be affected by the insolvency of either party.

Article 17 - Access to Records

The Reinsurer or its designated representatives shall have access at any reasonable time to all records of the Company which pertain in any way to this reinsurance, provided the Reinsurer gives the Company at least 15 days prior notice of request for such access. However, a Subscribing Reinsurer or its designated representatives shall not have any right of access to the records of the Company if it is not current in all undisputed payments due the Company. "Undisputed" as used herein shall mean any amount that the Subscribing Reinsurer has not contested in writing to the Company specifying the reason(s) why the payments are disputed.

Article 18 - Liability of the Reinsurer

- A. The liability of the Reinsurer shall follow that of the Company in every case and be subject in all respects to all the general and specific stipulations, clauses, waivers and modifications of the Company's policies and any endorsements thereon. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.
- B. Nothing herein shall in any manner create any obligations or establish any rights against the Reinsurer in favor of any third party or any persons not parties to this Contract.

Article 19 - Net Retained Lines (BRMA 32E)

- A. This Contract applies only to that portion of any policy which the Company retains net for its own account (prior to deduction of any underlying reinsurance specifically permitted in this Contract), and in calculating the amount of any loss hereunder and also in computing the amount or amounts in excess of which this Contract attaches, only loss or losses in respect of that portion of any policy which the Company retains net for its own account shall be included.
- B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other

reinsurer(s), whether specific or general, any amounts which may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

Article 20 - Errors and Omissions (BRMA 14F)

Inadvertent delays, errors or omissions made in connection with this Contract or any transaction hereunder shall not relieve either party from any liability which would have attached had such delay, error or omission not occurred, provided always that such error or omission is rectified as soon as possible after discovery.

Article 21 - Currency (BRMA 12A)

- A. Whenever the word "Dollars" or the "\$" sign appears in this Contract, they shall be construed to mean United States Dollars and all transactions under this Contract shall be in United States Dollars.
- B. Amounts paid or received by the Company in any other currency shall be converted to United States Dollars at the rate of exchange at the date such transaction is entered on the books of the Company.

Article 22 - Taxes (BRMA 50B)

In consideration of the terms under which this Contract is issued, the Company will not claim a deduction in respect of the premium hereon when making tax returns, other than income or profits tax returns, to any state or territory of the United States of America or the District of Columbia.

Article 23 - Federal Excise Tax (BRMA 17D)

- A. The Reinsurer has agreed to allow for the purpose of paying the Federal Excise Tax the applicable percentage of the premium payable hereon (as imposed under Section 4371 of the Internal Revenue Code) to the extent such premium is subject to the Federal Excise Tax.
- B. In the event of any return of premium becoming due hereunder the Reinsurer will deduct the applicable percentage from the return premium payable hereon and the Company or its agent should take steps to recover the tax from the United States Government.

Article 24 - Foreign Account Tax Compliance Act

- A. To the extent the Reinsurer is subject to the deduction and withholding of premium payable hereon as set forth in the Foreign Account Tax Compliance Act (Sections 1471-1474 of the Internal Revenue Code), the Reinsurer shall allow such deduction and withholding from the premium payable under this Contract.

- B. In the event of any return of premium becoming due hereunder, the return premium shall be determined and paid in full without regard to any amounts deducted or withheld under paragraph A of this Article. In the event the Company or its agent recovers such premium deductions and withholdings on the return premium from the United States Government, the Company or its agent shall reimburse the Reinsurer for such amounts.

Article 25 - Reserves

- A. The Reinsurer agrees to fund its share of amounts, including but not limited to, the Company's ceded unearned premium and outstanding loss and loss adjustment expense reserves (including all case reserves plus any reasonable amount estimated to be unreported from known loss occurrences) (hereinafter referred to as "Reinsurer's Obligations") by:
1. Clean, irrevocable and unconditional letters of credit issued and confirmed, if confirmation is required by the insurance regulatory authorities involved, by a bank or banks meeting the NAIC Securities Valuation Office credit standards for issuers of letters of credit and acceptable to said insurance regulatory authorities; and/or
 2. Escrow accounts for the benefit of the Company; and/or
 3. Cash advances;

if the Reinsurer:

1. Is unauthorized in any state of the United States of America or the District of Columbia having jurisdiction over the Company and if, without such funding, a penalty would accrue to the Company on any financial statement it is required to file with the insurance regulatory authorities involved; or
2. Has an A.M. Best Company's rating equal to or below B++ at the inception of this Contract.

The Reinsurer, at its sole option, may fund in other than cash if its method and form of funding are acceptable to the insurance regulatory authorities involved.

- B. With regard to funding in whole or in part by letters of credit, it is agreed that each letter of credit will be in a form acceptable to insurance regulatory authorities involved, will be issued for a term of at least one year and will include an "evergreen clause," which automatically extends the term for at least one additional year at each expiration date unless written notice of non-renewal is given to the Company not less than 30 days prior to said expiration date. The Company and the Reinsurer further agree, notwithstanding anything to the contrary in this Contract, that said letters of credit may be drawn upon by the Company or its successors in interest at any time, without diminution because of the insolvency of the Company or the Reinsurer, but only for one or more of the following purposes:
1. To reimburse itself for the Reinsurer's share of unearned premiums returned to insureds on account of policy cancellations, unless paid in cash by the Reinsurer;

2. To reimburse itself for the Reinsurer's share of losses and/or loss adjustment expense paid under the terms of policies reinsured hereunder, unless paid in cash by the Reinsurer;
3. To reimburse itself for the Reinsurer's share of any other amounts claimed to be due hereunder, unless paid in cash by the Reinsurer;
4. To fund a cash account in an amount equal to the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, funded by means of a letter of credit which is under non-renewal notice, if said letter of credit has not been renewed or replaced by the Reinsurer 10 days prior to its expiration date;
5. To refund to the Reinsurer any sum in excess of the actual amount required to fund the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, if so requested by the Reinsurer.

In the event the amount drawn by the Company on any letter of credit is in excess of the actual amount required for B(1), B(2) or B(4), or in the case of B(3), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn.

Article 26 - Insolvency

- A. In the event of the insolvency of the Company, this reinsurance shall be payable directly to the Company or to its liquidator, receiver, conservator or statutory successor on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the policy or bond reinsured which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the Court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.
- B. Where two or more Subscribing Reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this Contract as though such expense had been incurred by the Company.
- C. It is further understood and agreed that, in the event of the insolvency of the Company, the reinsurance under this Contract shall be payable directly by the Reinsurer to the Company

or to its liquidator, receiver or statutory successor, except as provided by Section 4118(a) of the New York Insurance Law or except (1) where this Contract specifically provides another payee of such reinsurance 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.

Article 27 - Arbitration

- A. As a condition precedent to any right of action hereunder, in the event of any dispute or difference of opinion hereafter arising with respect to this Contract, it is hereby mutually agreed that such dispute or difference of opinion shall be submitted to arbitration. One Arbiter shall be chosen by the Company, the other by the Reinsurer, and an Umpire shall be chosen by the two Arbiters before they enter upon arbitration, all of whom shall be active or retired disinterested executive officers of insurance or reinsurance companies or Lloyd's London Underwriters. In the event that either party should fail to choose an Arbiter within 30 days following a written request by the other party to do so, the requesting party may choose two Arbiters who shall in turn choose an Umpire before entering upon arbitration. If the two Arbiters fail to agree upon the selection of an Umpire within 30 days following their appointment, each Arbiter shall nominate three candidates within 10 days thereafter, two of whom the other shall decline, and the decision shall be made by drawing lots.
- B. Each party shall present its case to the Arbiters within 30 days following the date of appointment of the Umpire. The Arbiters shall consider this Contract as an honorable engagement rather than merely as a legal obligation and they are relieved of all judicial formalities and may abstain from following the strict rules of law. The decision of the Arbiters shall be final and binding on both parties; but failing to agree, they shall call in the Umpire and the decision of the majority shall be final and binding upon both parties. Judgment upon the final decision of the Arbiters may be entered in any court of competent jurisdiction.
- C. If more than one Subscribing Reinsurer is involved in the same dispute, all such Subscribing Reinsurers shall, at the option of the Company, constitute and act as one party for purposes of this Article and communications shall be made by the Company to each of the Subscribing Reinsurers constituting one party, provided, however, that nothing herein shall impair the rights of such Subscribing Reinsurers to assert several, rather than joint, defenses or claims, nor be construed as changing the liability of the Subscribing Reinsurers participating under the terms of this Contract from several to joint.
- D. Each party shall bear the expense of its own Arbiter, and shall jointly and equally bear with the other the expense of the Umpire and of the arbitration. In the event that the two Arbiters are chosen by one party, as above provided, the expense of the Arbiters, the Umpire and the arbitration shall be equally divided between the two parties.
- E. Any arbitration proceedings shall take place at a location mutually agreed upon by the parties to this Contract, but notwithstanding the location of the arbitration, all proceedings pursuant hereto shall be governed by the law of the state in which the Company has its principal office.

Article 28 - Service of Suit (BRMA 49C)

(Applicable if the Reinsurer is not domiciled in the United States of America, and/or is not authorized in any State, Territory or District of the United States where authorization is required by insurance regulatory authorities)

- A. It is agreed that in the event the Reinsurer fails to pay any amount claimed to be due hereunder, the Reinsurer, at the request of the Company, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction 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.
- B. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Reinsurer hereby designates the party named in its Interests and Liabilities Agreement, or if no party is named therein, the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract.

Article 29 - Severability (BRMA 72E)

If any provision of this Contract shall be rendered illegal or unenforceable by the laws, regulations or public policy of any state, such provision shall be considered void in such state, but this shall not affect the validity or enforceability of any other provision of this Contract or the enforceability of such provision in any other jurisdiction.

Article 30 - Governing Law (BRMA 71B)

This Contract shall be governed by and construed in accordance with the laws of the State of Florida.

Article 31 - Confidentiality

- A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract, including all information obtained through any audits and any claims information between the Company and the Reinsurer, and any submission or other materials relating to any renewal (hereinafter referred to as "Confidential Information") are proprietary and confidential to the Company.
- B. Except as provided for in paragraph C below, the Reinsurer shall not disclose any Confidential Information to any third parties, including but not limited to the Reinsurer's subsidiaries and affiliates, other insurance companies and their subsidiaries and affiliates,

underwriting agencies, research organizations, any unaffiliated entity engaged in modeling insurance or reinsurance data, and statistical rating organizations.

- C. Confidential Information may be used by the Reinsurer only in connection with the performance of its obligations or enforcement of its rights under this Contract and will only be disclosed when required by (1) retrocessionaires subject to the business ceded to this Contract, (2) regulators performing an audit of the Reinsurer's records and/or financial condition, (3) external auditors performing an audit of the Reinsurer's records in the normal course of business, or (4) the Reinsurer's legal counsel; provided that the Reinsurer advises such parties of the confidential nature of the Confidential Information and their obligation to maintain its confidentiality. The Company may require that any third-party representatives of the Reinsurer agree, in writing, to be bound by this Confidentiality Article or by a separate written confidentiality agreement, containing terms no less stringent than those set forth in this Article. If a third-party representative of the Reinsurer is not bound, in writing, by this Confidentiality Article or by a separate written confidentiality agreement, the Reinsurer shall be responsible for any breach of this provision by such third-party representative of the Reinsurer.
- D. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure, to the extent legally permissible, and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.
- E. Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of Non-Public Personally Identifiable Information. "Non-Public Personally Identifiable Information" shall be defined as this term or a similar term is defined in any applicable state, provincial, territory, or federal law. Disclosing or using this information for any purpose not authorized by applicable law is expressly forbidden without the prior consent of the Company.
- F. The parties agree that any information subject to privilege, including the attorney-client privilege or attorney work product doctrine (collectively "Privilege") shall not be disclosed to the Reinsurer until, in the Company's opinion, such Privilege is deemed to be waived or otherwise compromised by virtue of its disclosure pursuant to this Contract. Furthermore, the Reinsurer shall not assert that any Privilege otherwise applicable to the Confidential Information has been waived or otherwise compromised by virtue of its disclosure pursuant to this Contract.
- G. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

Article 32 - Non-Waiver

The failure of the Company or Reinsurer to insist on compliance with this Contract or to exercise any right, remedy or option hereunder shall not: (1) constitute a waiver of any rights contained in this Contract, (2) prevent the Company or Reinsurer from thereafter demanding full and

complete compliance, (3) prevent the Company or Reinsurer from exercising such remedy in the future, nor (4) affect the validity of this Contract or any part thereof.

Article 33 - Notices and Contract Execution

- A. Whenever a notice, statement, report or any other written communication is required by this Contract, unless otherwise specified, such notice, statement, report or other written communication may be transmitted by certified or registered mail, nationally or internationally recognized express delivery service, personal delivery, electronic mail, or facsimile. With the exception of notices of termination, first class mail is also acceptable.
- B. The use of any of the following shall constitute a valid execution of this Contract or any amendments thereto:
 - 1. Paper documents with an original ink signature;
 - 2. Facsimile or electronic copies of paper documents showing an original ink signature; and/or
 - 3. Electronic records with an electronic signature made via an electronic agent. For the purposes of this Contract, the terms "electronic record," "electronic signature" and "electronic agent" shall have the meanings set forth in the Electronic Signatures in Global and National Commerce Act of 2000 or any amendments thereto.
- C. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

Article 34 - Intermediary

Aon Benfield Inc., or one of its affiliated corporations duly licensed as a reinsurance intermediary, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss adjustment expense, salvages and loss settlements) relating to this Contract 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.

In Witness Whereof, the Company by its duly authorized representative has executed this Contract as of the date specified below:

This _____ day of _____ in the year _____.

Federated National Insurance Company

/s/ Michael H. Braun /s/ signed by all participating reinsurers

Schedule A

Non-Florida Property Catastrophe Excess of Loss Reinsurance Contract Effective: July 1, 2016

Federated National Insurance Company
Sunrise, Florida

	First Excess	Second Excess
Reinsurer's Per Occurrence Limit	*****	*****
Reinsurer's Term Limit	*****	*****
Minimum Premium	*****	*****
AAL	*****	*****
Annual Deposit Premium	*****	*****
Deposit Premium Installments	*****	*****

The figures listed above for each excess layer shall apply to each Subscribing Reinsurer in the percentage share for that excess layer as expressed in its Interests and Liabilities Agreement attached hereto.

War Exclusion Clause

As regards interests which at time of loss or damage are on shore, no liability shall attach hereto in respect of any loss or damage which is occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law or confiscation by order of any government or public authority.

Nuclear Incident Exclusion Clause - Physical Damage - Reinsurance (U.S.A.)

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.

12/12/57
N.M.A. 1119
BRMA 35B

Pools, Associations and Syndicates Exclusion Clause (Catastrophe)

It is hereby understood and agreed that:

A. This Contract excludes loss or liability arising from:

1. Business derived directly or indirectly from any pool, association, or syndicate which maintains its own reinsurance facilities. This subparagraph 1 shall not apply with respect to:
 - a. Residual market mechanisms created by statute. This Contract shall not extend, however, to afford coverage for liability arising from the inability of any other participant or member in the residual market mechanism to meet its obligations, nor shall this Contract extend to afford coverage for liability arising from any claim against the residual market mechanism brought by or on behalf of any insolvency fund (as defined in the Insolvency Fund Exclusion Clause incorporated in this Contract). For the purposes of this Clause, the California Earthquake Authority shall be deemed to be a "residual market mechanism."
 - b. Inter-agency or inter-government joint underwriting or risk purchasing associations (however styled) created by or permitted by statute or regulation.
2. Those perils insured by the Company that the Company knows, at the time the risk is bound, to be insured by or in excess of amounts insured or reinsured by any pool, association or syndicate formed for the purpose of insuring oil, gas, or petro-chemical plants; oil or gas drilling rigs; and/or aviation risks. This subparagraph 2 shall not apply:
 - a. If the total insured value over all interests of the risk is less than \$250,000,000.
 - b. To interests traditionally underwritten as Inland Marine or Stock or Contents written on a blanket basis.
 - c. To Contingent Business Interruption liability, except when it is known to the Company, at the time the risk is bound, that the key location is insured by or through any pool, association or syndicate formed for the purpose of insuring oil, gas, or petro-chemical plants; oil or gas drilling rigs; and/or aviation risks; unless the total insured value over all interests of the risk is less than \$250,000,000.

B. With respect to loss or liability arising from the Company's participation or membership in any residual market mechanism created by statute, the Company may include in its ultimate net loss only amounts for which the Company is assessed as a direct consequence of a covered loss occurrence, subject to the following provisions:

1. Recovery is limited to perils otherwise protected hereunder.
2. In the event the terms of the Company's participation or membership in any such residual market mechanism permit the Company to recoup any such direct

assessment attributed to a loss occurrence by way of a specific policy premium surcharge or similar levy on policyholders, the amount received by the Company as a result of such premium surcharge or levy shall reduce the Company's ultimate net loss for such loss occurrence.

3. The result of any rate increase filing permitted by the terms of the Company's participation or membership in any such residual market mechanism following any assessment shall have no effect on the Company's ultimate net loss for any covered loss occurrence.
4. The result of any premium tax credit filing permitted by the terms of the Company's participation or membership in any such residual market mechanism following any assessment shall reduce the Company's ultimate net loss for any covered loss occurrence.
5. The Company may not include in its ultimate net loss any amount resulting from an assessment that, pursuant to the terms of the Company's participation or membership in the residual market mechanism, the Company is required to pay only after such assessment is collected from the policyholder.
6. The ultimate net loss hereunder shall not include any monies expended to purchase or retire bonds as a consequence of being a member of a residual market mechanism nor any fines or penalties imposed on the Company for late payment.
7. If, however, a residual market mechanism only provides for assessment based on an aggregate of losses in any one contract or plan year of said mechanism, then the amount of that assessment to be included in the ultimate net loss for any one loss occurrence shall be determined by multiplying the Company's share of the aggregate assessment by a factor derived by dividing the Company's ultimate net loss (net of the assessment) with respect to the loss occurrence by the total of all of its ultimate net losses (net of assessments) from all loss occurrences included by the mechanism in determining the assessment.

8/1/2012

Terrorism Exclusion (Property Treaty Reinsurance)

Notwithstanding any provision to the contrary within this Contract or any amendment thereto, it is agreed that this Contract 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:

1. Involves violence against one or more persons, or
2. Involves damage to property; or
3. Endangers life other than the person committing the action; or
4. Creates a risk to health or safety of the public or a section of the public; or
5. Is designed to interfere with or disrupt an electronic system.

This Contract 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.

Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract will pay actual loss or damage (but not related cost and expense) caused by any act of terrorism provided such act is not directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with radiological, biological, chemical, or nuclear pollution or contamination.

The Interests and Liabilities Agreements, constituting 12 pages in total, have been omitted in accordance with Rule 24b-2 under the Exchange Act. These pages have been filed separately with the Securities and Exchange Commission.

**Non-Florida Reinstatement Premium Protection
Reinsurance Contract
Effective: July 1, 2016**

Federated National Insurance Company
Sunrise, Florida

*****Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

First Reinstatement Premium Protection Reinsurance

Reinsurer(s)	Participation(s)
Allianz Risk Transfer AG (Bermuda Branch)**	_____%
Total	_____%

Second Reinstatement Premium Protection Reinsurance

Reinsurer(s)	Participation(s)
AXIS Specialty Limited	_____%
Total	_____%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

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**Non-Florida Reinstatement Premium Protection
Reinsurance Contract
Effective: July 1, 2016**

entered into by and between

Federated National Insurance Company
Sunrise, Florida
(hereinafter referred to as the "Company")

and

The Subscribing Reinsurer(s) Executing the
Interests and Liabilities Agreement(s)
Attached Hereto
(hereinafter referred to as the "Reinsurer")

Article 1 - Coverage

By this Contract the Reinsurer agrees to indemnify the Company for 100% of any reinstatement premium which the Company pays or becomes liable to pay as a result of loss occurrences covered under the Company's Non-Florida Property Catastrophe Excess of Loss Reinsurance Contract, effective July 1, 2016 (hereinafter referred to as the "Original Contract" and described in Schedule A attached hereto), subject to the terms, conditions and limitations set forth herein and in Schedules A and B attached to and forming part of this Contract.

Article 2 - Commencement and Termination

- A. This Contract shall become effective at 12:01 a.m., Eastern Standard Time, July 1, 2016, with respect to reinstatement premium payable by the Company under the Original Contract as a result of losses arising out of loss occurrences commencing at or after that time and date, and shall remain in force until 12:01 a.m., Eastern Standard Time, July 1, 2017.
- B. Notwithstanding the provisions of paragraph A. above, the Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event any of the following circumstances occur:
 - 1. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at the inception of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) 12 months prior to that date; or
 - 2. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at any time during the term of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) at the date of the Subscribing Reinsurer's most recent financial

statement filed with regulatory authorities and available to the public as of the inception of this Contract; or

3. The Subscribing Reinsurer's A.M. Best's rating has been assigned or downgraded below "A-" and/or Standard & Poor's rating has been assigned or downgraded below "BBB+"; or
 4. The Subscribing Reinsurer has become, or has announced its intention to become, merged with, acquired by or controlled by any other entity or individual(s) not controlling the Subscribing Reinsurer's operations previously; or
 5. A State Insurance Department or other legal authority has ordered the Subscribing Reinsurer to cease writing business; or
 6. The Subscribing Reinsurer has become insolvent or has been placed into liquidation, receivership, supervision, administration, winding-up or under a scheme of arrangement, or similar proceedings (whether voluntary or involuntary) or proceedings have been instituted against the Subscribing Reinsurer for the appointment of a receiver, liquidator, rehabilitator, supervisor, administrator, conservator or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations; or
 7. The Subscribing Reinsurer has reinsured its entire liability under this Contract without the Company's prior written consent; or
 8. The Subscribing Reinsurer has ceased assuming new or renewal property or casualty treaty reinsurance business; or
 9. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid; or
 10. The Subscribing Reinsurer has failed to comply with the funding requirements set forth in the Reserves Article.
- C. If this Contract is terminated or expires while a loss occurrence covered hereunder is in progress, the Reinsurer's liability hereunder shall, subject to the other terms and conditions of this Contract, be determined as if the entire loss occurrence had occurred prior to the termination or expiration of this Contract, provided that no part of such loss occurrence is claimed against any renewal or replacement of this Contract.

Article 3 - Concurrency of Conditions

- A. It is agreed that this Contract will follow the terms, conditions, exclusions, definitions, warranties and settlements of the Company under the Original Contract, which are not inconsistent with the provisions of this Contract.
- B. The Company shall advise the Reinsurer of any material changes in the Original Contract which may affect the liability of the Reinsurer under this Contract.

Article 4 - Premium

- A. As premium for the reinsurance coverage provided hereunder for each excess layer for the term of this Contract, the Company shall pay the Reinsurer the product of the following (or a pro rata portion thereof in the event the term of this Contract is less than 12 months and for purposes of calculating subparagraph 3 below, the term of the Original Contract is a full 12 months):
1. The amount, shown as "Reinstatement Factor" for that excess layer in Schedule B attached hereto; times
 2. The Final Adjusted Rate on Line for the corresponding excess layer of the Original Contract; times
 3. An amount equal to 100% reinsurance placement percentage under each excess layer of the Original Contract of the final adjusted premium paid by the Company for the corresponding excess layer of the Original Contract.
- "Final Adjusted Rate on Line" as used herein shall mean an amount equal to a 100% reinsurance placement percentage under each excess layer of the Original Contract of the final adjusted premium paid by the Company for the corresponding excess layer of the Original Contract divided by the amount, shown as the "Reinsurer's Per Occurrence Limit" for that excess layer under the Original Contract in Schedule A attached hereto.
- B. The Company shall pay the Reinsurer a deposit premium for each excess layer of the amount, shown as "Annual Deposit Premium" for that excess layer in Schedule B attached hereto, in four equal installments of the amount, shown as "Deposit Premium Installment" for that excess layer in Schedule B attached hereto, on July 1 and October 1 of 2016, and January 1 and April 1 of 2017. However, in the event this Contract is terminated, there shall be no deposit premium installments due after the effective date of termination.
- C. As soon as possible after the termination or expiration of this Contract, the Company shall provide a report to the Reinsurer setting forth the premium due hereunder for each excess layer for the term of this Contract, computed in accordance with paragraph A, and any additional premium due the Reinsurer or return premium due the Company for each such excess layer shall be remitted promptly.

Article 5 - Sanctions

Neither the Company nor any Subscribing Reinsurer shall be liable for premium or loss under this Contract if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

Article 6 - Loss Notices and Settlements

- A. Whenever reinstatement premium settlements made by the Company under the Original Contract appear likely to result in a claim hereunder, the Company shall notify the

Reinsurer. The Company will advise the Reinsurer of all subsequent developments relating to such claims that, in the opinion of the Company, may materially affect the position of the Reinsurer.

- B. All reinstatement premium settlements made by the Company under the Original Contract, provided they are within the terms of the Original Contract and within the terms of this Contract, shall be binding upon the Reinsurer, and the Reinsurer agrees to pay all amounts for which it may be liable within 10 days of receipt of reasonable evidence of the amount paid (or scheduled to be paid) by the Company.

Article 7 - Late Payments

- A. The provisions of this Article shall not be implemented unless specifically invoked, in writing, by one of the parties to this Contract.
- B. In the event any premium, loss or other payment due either party is not received by the intermediary named in the Intermediary Article (hereinafter referred to as the "Intermediary") by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest charge on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days which have expired since the due date or the last monthly calculation, whichever the lesser; times
2. 1/365ths of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made; times
3. The amount past due, including accrued interest.

It is agreed that interest shall accumulate until payment of the original amount due plus interest charges have been received by the Intermediary.

- C. The establishment of the due date shall, for purposes of this Article, be determined as follows:
 1. As respects the payment of routine deposits and premiums due the Reinsurer, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 30 days after the date of transmittal by the Intermediary of the initial billing for each such payment.
 2. Any claim or loss payment due the Company hereunder shall be deemed due 10 days after the proof of loss or demand for payment is transmitted to the Reinsurer. If such loss or claim payment is not received within the 10 days, interest will accrue on the payment or amount overdue in accordance with paragraph B above, from the date the proof of loss or demand for payment was transmitted to the Reinsurer.
 3. As respects any payment, adjustment or return due either party not otherwise provided for in subparagraphs 1. and 2. of this paragraph C., the due date shall be as provided

for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 10 days following transmittal of written notification that the provisions of this Article have been invoked.

For purposes of interest calculations only, amounts due hereunder shall be deemed paid upon receipt by the Intermediary.

- D. Nothing herein shall be construed as limiting or prohibiting a Subscribing Reinsurer from contesting the validity of any claim, or from participating in the defense of any claim or suit, or prohibiting either party from contesting the validity of any payment or from initiating any arbitration or other proceeding in accordance with the provisions of this Contract. If the debtor party prevails in an arbitration or other proceeding, then any interest charges due hereunder on the amount in dispute shall be null and void. If the debtor party loses in such proceeding, then the interest charge on the amount determined to be due hereunder shall be calculated in accordance with the provisions set forth above unless otherwise determined by such proceedings. If a debtor party advances payment of any amount it is contesting, and proves to be correct in its contestation, either in whole or in part, the other party shall reimburse the debtor party for any such excess payment made plus interest on the excess amount calculated in accordance with this Article.
- E. Interest charges arising out of the application of this Article that are \$1,000 or less from any party shall be waived unless there is a pattern of late payments consisting of three or more items over the course of any 12-month period.

Article 8 - Offset

The Company and the Reinsurer may offset any balance or amount due from one party to the other under this Contract or any other contract heretofore or hereafter entered into between the Company and the Reinsurer, whether acting as assuming reinsurer or ceding company. The provisions of this Article shall not be affected by the insolvency of either party.

Article 9 - Access to Records

The Reinsurer or its designated representatives shall have access at any reasonable time to all records of the Company which pertain in any way to this reinsurance, provided the Reinsurer gives the Company at least 15 days prior notice of request for such access. However, a Subscribing Reinsurer or its designated representatives shall not have any right of access to the records of the Company if it is not current in all undisputed payments due the Company. "Undisputed" as used herein shall mean any amount that the Subscribing Reinsurer has not contested in writing to the Company specifying the reason(s) why the payments are disputed.

Article 10 - Errors and Omissions (BRMA 14F)

Inadvertent delays, errors or omissions made in connection with this Contract or any transaction hereunder shall not relieve either party from any liability which would have attached had such delay, error or omission not occurred, provided always that such error or omission is rectified as soon as possible after discovery.

Article 11 - Currency (BRMA 12A)

- A. Whenever the word "Dollars" or the "\$" sign appears in this Contract, they shall be construed to mean United States Dollars and all transactions under this Contract shall be in United States Dollars.
- B. Amounts paid or received by the Company in any other currency shall be converted to United States Dollars at the rate of exchange at the date such transaction is entered on the books of the Company.

Article 12 - Taxes (BRMA 50B)

In consideration of the terms under which this Contract is issued, the Company will not claim a deduction in respect of the premium hereon when making tax returns, other than income or profits tax returns, to any state or territory of the United States of America or the District of Columbia.

Article 13 - Federal Excise Tax (BRMA 17D)

- A. The Reinsurer has agreed to allow for the purpose of paying the Federal Excise Tax the applicable percentage of the premium payable hereon (as imposed under Section 4371 of the Internal Revenue Code) to the extent such premium is subject to the Federal Excise Tax.
- B. In the event of any return of premium becoming due hereunder the Reinsurer will deduct the applicable percentage from the return premium payable hereon and the Company or its agent should take steps to recover the tax from the United States Government.

Article 14 - Foreign Account Tax Compliance Act

- A. To the extent the Reinsurer is subject to the deduction and withholding of premium payable hereon as set forth in the Foreign Account Tax Compliance Act (Sections 1471-1474 of the Internal Revenue Code), the Reinsurer shall allow such deduction and withholding from the premium payable under this Contract.
- B. In the event of any return of premium becoming due hereunder, the return premium shall be determined and paid in full without regard to any amounts deducted or withheld under paragraph A of this Article. In the event the Company or its agent recovers such premium deductions and withholdings on the return premium from the United States Government, the Company or its agent shall reimburse the Reinsurer for such amounts.

Article 15 - Reserves

- A. The Reinsurer agrees to fund its share of amounts, including but not limited to, the Company's ceded unearned premium and outstanding loss reserves (being the sum of all reinstatement premiums paid by the Company under the Original Contract but not yet

recovered from the Reinsurer, plus the Company's reserves for reinstatement premium due under the Original Contract, if any) (hereinafter referred to as "Reinsurer's Obligations") by:

1. Clean, irrevocable and unconditional letters of credit issued and confirmed, if confirmation is required by the insurance regulatory authorities involved, by a bank or banks meeting the NAIC Securities Valuation Office credit standards for issuers of letters of credit and acceptable to said insurance regulatory authorities; and/or
2. Escrow accounts for the benefit of the Company; and/or
3. Cash advances;

if the Reinsurer:

1. Is unauthorized in any state of the United States of America or the District of Columbia having jurisdiction over the Company and if, without such funding, a penalty would accrue to the Company on any financial statement it is required to file with the insurance regulatory authorities involved; or
2. Has an A.M. Best Company's rating equal to or below B++ at the inception of this Contract.

The Reinsurer, at its sole option, may fund in other than cash if its method and form of funding are acceptable to the insurance regulatory authorities involved.

- B. With regard to funding in whole or in part by letters of credit, it is agreed that each letter of credit will be in a form acceptable to insurance regulatory authorities involved, will be issued for a term of at least one year and will include an "evergreen clause," which automatically extends the term for at least one additional year at each expiration date unless written notice of non-renewal is given to the Company not less than 30 days prior to said expiration date. The Company and the Reinsurer further agree, notwithstanding anything to the contrary in this Contract, that said letters of credit may be drawn upon by the Company or its successors in interest at any time, without diminution because of the insolvency of the Company or the Reinsurer, but only for one or more of the following purposes:

1. To reimburse itself for the Reinsurer's share of unearned premiums returned to insureds on account of policy cancellations, unless paid in cash by the Reinsurer;
2. To reimburse itself for the Reinsurer's share of reinstatement premiums paid by the Company under the terms of the Original Contract, unless paid in cash by the Reinsurer;
3. To reimburse itself for the Reinsurer's share of any other amounts claimed to be due hereunder, unless paid in cash by the Reinsurer;
4. To fund a cash account in an amount equal to the Reinsurer's share of amounts, including, but not limited to, the Reinsurer's Obligations as set forth above, funded by means of a letter of credit which is under non-renewal notice, if said letter of credit has not been renewed or replaced by the Reinsurer 10 days prior to its expiration date;

5. To refund to the Reinsurer any sum in excess of the actual amount required to fund the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, if so requested by the Reinsurer.

In the event the amount drawn by the Company on any letter of credit is in excess of the actual amount required for B(1), B(2) or B(4), or in the case of B(3), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn.

Article 16 - Insolvency

- A. In the event of the insolvency of the Company, this reinsurance shall be payable directly to the Company or to its liquidator, receiver, conservator or statutory successor on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the policy or bond reinsured which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the Court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.
- B. Where two or more Subscribing Reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this Contract as though such expense had been incurred by the Company.
- C. It is further understood and agreed that, in the event of the insolvency of the Company, the reinsurance under this Contract shall be payable directly by the Reinsurer to the Company or to its liquidator, receiver or statutory successor, except as provided by Section 4118(a) of the New York Insurance Law or except (1) where this Contract specifically provides another payee of such reinsurance 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.

Article 17 - Arbitration

- A. As a condition precedent to any right of action hereunder, in the event of any dispute or difference of opinion hereafter arising with respect to this Contract, it is hereby mutually agreed that such dispute or difference of opinion shall be submitted to arbitration. One Arbitrator shall be chosen by the Company, the other by the Reinsurer, and an Umpire shall

be chosen by the two Arbiters before they enter upon arbitration, all of whom shall be active or retired disinterested executive officers of insurance or reinsurance companies or Lloyd's London Underwriters. In the event that either party should fail to choose an Arbiter within 30 days following a written request by the other party to do so, the requesting party may choose two Arbiters who shall in turn choose an Umpire before entering upon arbitration. If the two Arbiters fail to agree upon the selection of an Umpire within 30 days following their appointment, each Arbiter shall nominate three candidates within 10 days thereafter, two of whom the other shall decline, and the decision shall be made by drawing lots.

- B. Each party shall present its case to the Arbiters within 30 days following the date of appointment of the Umpire. The Arbiters shall consider this Contract as an honorable engagement rather than merely as a legal obligation and they are relieved of all judicial formalities and may abstain from following the strict rules of law. The decision of the Arbiters shall be final and binding on both parties; but failing to agree, they shall call in the Umpire and the decision of the majority shall be final and binding upon both parties. Judgment upon the final decision of the Arbiters may be entered in any court of competent jurisdiction.
- C. If more than one Subscribing Reinsurer is involved in the same dispute, all such Subscribing Reinsurers shall, at the option of the Company, constitute and act as one party for purposes of this Article and communications shall be made by the Company to each of the Subscribing Reinsurers constituting one party, provided, however, that nothing herein shall impair the rights of such Subscribing Reinsurers to assert several, rather than joint, defenses or claims, nor be construed as changing the liability of the Subscribing Reinsurers participating under the terms of this Contract from several to joint.
- D. Each party shall bear the expense of its own Arbiter, and shall jointly and equally bear with the other the expense of the Umpire and of the arbitration. In the event that the two Arbiters are chosen by one party, as above provided, the expense of the Arbiters, the Umpire and the arbitration shall be equally divided between the two parties.
- E. Any arbitration proceedings shall take place at a location mutually agreed upon by the parties to this Contract, but notwithstanding the location of the arbitration, all proceedings pursuant hereto shall be governed by the law of the state in which the Company has its principal office.

Article 18 - Service of Suit (BRMA 49C)

(Applicable if the Reinsurer is not domiciled in the United States of America, and/or is not authorized in any State, Territory or District of the United States where authorization is required by insurance regulatory authorities)

- A. It is agreed that in the event the Reinsurer fails to pay any amount claimed to be due hereunder, the Reinsurer, at the request of the Company, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction 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.

- B. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Reinsurer hereby designates the party named in its Interests and Liabilities Agreement, or if no party is named therein, the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract.

Article 19 - Severability (BRMA 72E)

If any provision of this Contract shall be rendered illegal or unenforceable by the laws, regulations or public policy of any state, such provision shall be considered void in such state, but this shall not affect the validity or enforceability of any other provision of this Contract or the enforceability of such provision in any other jurisdiction.

Article 20 - Governing Law (BRMA 71B)

This Contract shall be governed by and construed in accordance with the laws of the State of Florida.

Article 21 - Confidentiality

- A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract, including all information obtained through any audits and any claims information between the Company and the Reinsurer, and any submission or other materials relating to any renewal (hereinafter referred to as "Confidential Information") are proprietary and confidential to the Company.
- B. Except as provided for in paragraph C. below, the Reinsurer shall not disclose any Confidential Information to any third parties, including but not limited to the Reinsurer's subsidiaries and affiliates, other insurance companies and their subsidiaries and affiliates, underwriting agencies, research organizations, any unaffiliated entity engaged in modeling insurance or reinsurance data, and statistical rating organizations.
- C. Confidential Information may be used by the Reinsurer only in connection with the performance of its obligations or enforcement of its rights under this Contract and will only be disclosed when required by (1) retrocessionaires subject to the business ceded to this Contract, (2) regulators performing an audit of the Reinsurer's records and/or financial condition, or (3) external auditors performing an audit of the Reinsurer's records in the normal course of business; provided that the Reinsurer advises such parties of the confidential nature of the Confidential Information and their obligation to maintain its confidentiality. The Reinsurer shall be responsible for any breach of this provision by any third-party representatives of the Reinsurer. The Company requires that any third-party representatives of the Reinsurer agree, in writing, to be bound by this Confidentiality Article or by a separate written confidentiality agreement, containing terms no less stringent than those set forth in this Article.

- D. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.
- E. Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of Non-Public Personally Identifiable Information. "Non-Public Personally Identifiable Information" shall be defined as this term or a similar term is defined in any applicable state, provincial, territory, or federal law. Disclosing or using this information for any purpose not authorized by applicable law is expressly forbidden without the prior consent of the Company.
- F. The parties agree that any information subject to privilege, including the attorney-client privilege or attorney work product doctrine (collectively "Privilege") shall not be disclosed to the Reinsurer until, in the Company's opinion, such Privilege is deemed to be waived or otherwise compromised by virtue of its disclosure pursuant to this Contract. Furthermore, the Reinsurer shall not assert that any Privilege otherwise applicable to the Confidential Information has been waived or otherwise compromised by virtue of its disclosure pursuant to this Contract.
- G. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

Article 22 - Non-Waiver

The failure of the Company or Reinsurer to insist on compliance with this Contract or to exercise any right, remedy or option hereunder shall not: (1) constitute a waiver of any rights contained in this Contract, (2) prevent the Company or Reinsurer from thereafter demanding full and complete compliance, (3) prevent the Company or Reinsurer from exercising such remedy in the future, nor (4) affect the validity of this Contract or any part thereof.

Article 23 - Notices and Contract Execution

- A. Whenever a notice, statement, report or any other written communication is required by this Contract, unless otherwise specified, such notice, statement, report or other written communication may be transmitted by certified or registered mail, nationally or internationally recognized express delivery service, personal delivery, electronic mail, or facsimile. With the exception of notices of termination, first class mail is also acceptable.
- B. The use of any of the following shall constitute a valid execution of this Contract or any amendments thereto:
 - 1. Paper documents with an original ink signature;
 - 2. Facsimile or electronic copies of paper documents showing an original ink signature; and/or

3. Electronic records with an electronic signature made via an electronic agent. For the purposes of this Contract, the terms "electronic record," "electronic signature" and "electronic agent" shall have the meanings set forth in the Electronic Signatures in Global and National Commerce Act of 2000 or any amendments thereto.
- C. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

Article 24 - Intermediary

Aon Benfield Inc., or one of its affiliated corporations duly licensed as a reinsurance intermediary, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss adjustment expense, salvages and loss settlements) relating to this Contract 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.

In Witness Whereof, the Company by its duly authorized representative has executed this Contract as of the date specified below:

This _____ day of _____ in the year _____.

Federated National Insurance Company

 /s/ Michael H. Braun

/s/ signed by all participating reinsurers

Schedule A

Non-Florida Reinstatement Premium Protection Reinsurance Contract Effective: July 1, 2016

Federated National Insurance Company
Sunrise, Florida

	Original Contract First Excess	Original Contract Second Excess
Reinsurer's Per Occurrence Limit	*****	*****
Reinsurer's Term Limit	*****	*****
Minimum Premium	*****	*****
AAL	*****	*****
Annual Deposit Premium	*****	*****
Deposit Premium Installments	*****	*****

Schedule B

Non-Florida Reinstatement Premium Protection Reinsurance Contract Effective: July 1, 2016

Federated National Insurance Company
Sunrise, Florida

	First RPP Layer	Second RPP Layer
Reinstatement Factor	*****	*****
Annual Deposit Premium	*****	*****
Deposit Premium Installments	*****	*****

The figures listed above for each excess layer shall apply to each Subscribing Reinsurer in the percentage share for that excess layer as expressed in its Interests and Liabilities Agreement attached hereto.

The Interests and Liabilities Agreements, constituting 4 pages in total, have been omitted in accordance with Rule 24b-2 under the Exchange Act. These pages have been filed separately with the Securities and Exchange Commission.

**Reinstatement Premium Protection
Reinsurance Contract
Effective: July 1, 2016**

Federated National Insurance Company
Sunrise, Florida

*****Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

First Reinstatement Premium Protection Reinsurance

Reinsurer(s)	Participation(s)
Chubb Tempest Reinsurance Ltd.**	*%
Hannover Rück SE**	*%
Horseshoe Re Limited for and on behalf of Hudson Structured Capital Management Ltd.**	*%
Securis Re I Ltd. Bermuda in respect of its segregated account designated "SRB105 Account" **	*%
Securis Re IV Ltd. Bermuda in respect of its segregated account designated "SRB405 Account" **	*%
Total	*%

Second Reinstatement Premium Protection Reinsurance

Reinsurer(s)	Participation(s)
Hannover Rück SE**	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only) Collateralised Re Ltd.**	*%
Through Aon UK Limited trading as Aon Benfield Lloyd's Underwriters Per Signing Page(s)**	*%
Total	*%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

Third Reinstatement Premium Protection Reinsurance

Reinsurer(s)	Participation(s)
Chubb Tempest Reinsurance Ltd.**	*%
Hannover Rück SE**	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only) Collateralised Re Ltd.**	*%
Through Aon UK Limited trading as Aon Benfield Lloyd's Underwriters Per Signing Page(s)**	*%
Total	*%

Fourth Reinstatement Premium Protection Reinsurance

Reinsurer(s)	Participation(s)
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Collateralised Re Ltd.**	_____%
Total	_____%

Fifth Reinstatement Premium Protection Reinsurance

Reinsurer(s)	Participation(s)
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Collateralised Re Ltd.**	_____%
Total	_____%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

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**Reinstatement Premium Protection
Reinsurance Contract
Effective: July 1, 2016**

entered into by and between

Federated National Insurance Company
Sunrise, Florida
(hereinafter referred to as the "Company")

and

The Subscribing Reinsurer(s) Executing the
Interests and Liabilities Agreement(s)
Attached Hereto
(hereinafter referred to as the "Reinsurer")

Article 1 - Coverage

By this Contract the Reinsurer agrees to indemnify the Company for 100% of any reinstatement premium which the Company pays or becomes liable to pay as a result of loss occurrences covered under the Company's Excess Catastrophe Reinsurance Contract, effective July 1, 2016 (hereinafter referred to as the "Original Contract" and described in Schedule A attached hereto), subject to the terms, conditions and limitations set forth herein and in Schedules A and B attached to and forming part of this Contract.

Article 2 - Commencement and Termination

- A. This Contract shall become effective at 12:01 a.m., Eastern Standard Time, July 1, 2016, with respect to reinstatement premium payable by the Company under the Original Contract as a result of losses arising out of loss occurrences commencing at or after that time and date, and shall remain in force until 12:01 a.m., Eastern Standard Time, July 1, 2017.
- B. Notwithstanding the provisions of paragraph A above, the Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event any of the following circumstances occur:
 - 1. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at the inception of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) 12 months prior to that date; or
 - 2. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at any time during the term of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) at the date of the Subscribing Reinsurer's most recent financial

statement filed with regulatory authorities and available to the public as of the inception of this Contract; or

3. The Subscribing Reinsurer's A.M. Best's rating has been assigned or downgraded below A- and/or Standard & Poor's rating has been assigned or downgraded below BBB+; or
 4. The Subscribing Reinsurer has become, or has announced its intention to become, merged with, acquired by or controlled by any other entity or individual(s) not controlling the Subscribing Reinsurer's operations previously; or
 5. A State Insurance Department or other legal authority has ordered the Subscribing Reinsurer to cease writing business; or
 6. The Subscribing Reinsurer has become insolvent or has been placed into liquidation, receivership, supervision, administration, winding-up or under a scheme of arrangement, or similar proceedings (whether voluntary or involuntary) or proceedings have been instituted against the Subscribing Reinsurer for the appointment of a receiver, liquidator, rehabilitator, supervisor, administrator, conservator or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations; or
 7. The Subscribing Reinsurer has reinsured its entire liability under this Contract without the Company's prior written consent; or
 8. The Subscribing Reinsurer has ceased assuming new or renewal property or casualty treaty reinsurance business; or
 9. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid; or
 10. The Subscribing Reinsurer has failed to comply with the funding requirements set forth in the Reserves Article.
- C. If this Contract is terminated or expires while a loss occurrence covered hereunder is in progress, the Reinsurer's liability hereunder shall, subject to the other terms and conditions of this Contract, be determined as if the entire loss occurrence had occurred prior to the termination or expiration of this Contract, provided that no part of such loss occurrence is claimed against any renewal or replacement of this Contract.

Article 3 - Concurrency of Conditions

- A. It is agreed that this Contract will follow the terms, conditions, exclusions, definitions, warranties and settlements of the Company under the Original Contract, which are not inconsistent with the provisions of this Contract.
- B. The Company shall advise the Reinsurer of any material changes in the Original Contract which may affect the liability of the Reinsurer under this Contract.

Article 4 - Premium

- A. As premium for the reinsurance coverage provided hereunder for each excess layer for the term of this Contract, the Company shall pay the Reinsurer the product of the following (or a pro rata portion thereof in the event the term of this Contract is less than 12 months and for purposes of calculating subparagraph 3 below, the term of the Original Contract is a full 12 months):
1. The amount, shown as "Reinstatement Factor" for that excess layer in Schedule B attached hereto; times
 2. The Final Adjusted Rate on Line for the corresponding excess layer of the Original Contract; times
 3. An amount equal to 100% reinsurance placement percentage under each excess layer of the Original Contract of the final adjusted premium paid by the Company for the corresponding excess layer of the Original Contract.
- "Final Adjusted Rate on Line" as used herein shall mean an amount equal to a 100% reinsurance placement percentage under each excess layer of the Original Contract of the final adjusted premium paid by the Company for the corresponding excess layer of the Original Contract divided by the amount, shown as the "Reinsurer's Per Occurrence Limit" for that excess layer under the Original Contract in Schedule A attached hereto.
- B. The Company shall pay the Reinsurer a deposit premium for each excess layer of the amount, shown as "Annual Deposit Premium" for that excess layer in Schedule B attached hereto, in four equal installments of the amount, shown as "Deposit Premium Installment" for that excess layer in Schedule B attached hereto, on July 1 and October 1 of 2016, and January 1 and April 1 of 2017. However, in the event this Contract is terminated, there shall be no deposit premium installments due after the effective date of termination.
- C. As soon as possible after the termination or expiration of this Contract, the Company shall provide a report to the Reinsurer setting forth the premium due hereunder for each excess layer for the term of this Contract, computed in accordance with paragraph A, and any additional premium due the Reinsurer or return premium due the Company for each such excess layer shall be remitted promptly.

Article 5 - Sanctions

Neither the Company nor any Subscribing Reinsurer shall be liable for premium or loss under this Contract if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

Article 6 - Loss Notices and Settlements

- A. Whenever reinstatement premium settlements made by the Company under the Original Contract appear likely to result in a claim hereunder, the Company shall notify the Reinsurer. The Company will advise the Reinsurer of all subsequent developments relating to such claims that, in the opinion of the Company, may materially affect the position of the Reinsurer.
- B. All reinstatement premium settlements made by the Company under the Original Contract, provided they are within the terms of the Original Contract and within the terms of this Contract, shall be binding upon the Reinsurer, and the Reinsurer agrees to pay all amounts for which it may be liable within 10 days of receipt of reasonable evidence of the amount paid (or scheduled to be paid) by the Company.

Article 7 - Late Payments

- A. The provisions of this Article shall not be implemented unless specifically invoked, in writing, by one of the parties to this Contract.
- B. In the event any premium, loss or other payment due either party is not received by the intermediary named in the Intermediary Article (hereinafter referred to as the "Intermediary") by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest charge on the amount past due calculated for each such payment on the last business day of each month as follows:
 - 1. The number of full days which have expired since the due date or the last monthly calculation, whichever the lesser; times
 - 2. 1/365ths of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made; times
 - 3. The amount past due, including accrued interest.

It is agreed that interest shall accumulate until payment of the original amount due plus interest charges have been received by the Intermediary.

- C. The establishment of the due date shall, for purposes of this Article, be determined as follows:
 - 1. As respects the payment of routine deposits and premiums due the Reinsurer, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 30 days after the date of transmittal by the Intermediary of the initial billing for each such payment.
 - 2. Any claim or loss payment due the Company hereunder shall be deemed due 10 days after the proof of loss or demand for payment is transmitted to the Reinsurer. If such loss or claim payment is not received within the 10 days, interest will accrue on the

payment or amount overdue in accordance with paragraph B above, from the date the proof of loss or demand for payment was transmitted to the Reinsurer.

3. As respects any payment, adjustment or return due either party not otherwise provided for in subparagraphs 1 and 2 of this paragraph C, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 10 days following transmittal of written notification that the provisions of this Article have been invoked.

For purposes of interest calculations only, amounts due hereunder shall be deemed paid upon receipt by the Intermediary.

- D. Nothing herein shall be construed as limiting or prohibiting a Subscribing Reinsurer from contesting the validity of any claim, or from participating in the defense of any claim or suit, or prohibiting either party from contesting the validity of any payment or from initiating any arbitration or other proceeding in accordance with the provisions of this Contract. If the debtor party prevails in an arbitration or other proceeding, then any interest charges due hereunder on the amount in dispute shall be null and void. If the debtor party loses in such proceeding, then the interest charge on the amount determined to be due hereunder shall be calculated in accordance with the provisions set forth above unless otherwise determined by such proceedings. If a debtor party advances payment of any amount it is contesting, and proves to be correct in its contestation, either in whole or in part, the other party shall reimburse the debtor party for any such excess payment made plus interest on the excess amount calculated in accordance with this Article.
- E. Interest charges arising out of the application of this Article that are \$1,000 or less from any party shall be waived unless there is a pattern of late payments consisting of three or more items over the course of any 12-month period.

Article 8 - Offset

The Company and the Reinsurer may offset any balance or amount due from one party to the other under this Contract or any other contract heretofore or hereafter entered into between the Company and the Reinsurer, whether acting as assuming reinsurer or ceding company. The provisions of this Article shall not be affected by the insolvency of either party.

Article 9 - Access to Records

The Reinsurer or its designated representatives shall have access at any reasonable time to all records of the Company which pertain in any way to this reinsurance, provided the Reinsurer gives the Company at least 15 days prior notice of request for such access. However, a Subscribing Reinsurer or its designated representatives shall not have any right of access to the records of the Company if it is not current in all undisputed payments due the Company. "Undisputed" as used herein shall mean any amount that the Subscribing Reinsurer has not contested in writing to the Company specifying the reason(s) why the payments are disputed.

Article 10 - Errors and Omissions (BRMA 14F)

Inadvertent delays, errors or omissions made in connection with this Contract or any transaction hereunder shall not relieve either party from any liability which would have attached had such delay, error or omission not occurred, provided always that such error or omission is rectified as soon as possible after discovery.

Article 11 - Currency (BRMA 12A)

- A. Whenever the word "Dollars" or the "\$" sign appears in this Contract, they shall be construed to mean United States Dollars and all transactions under this Contract shall be in United States Dollars.
- B. Amounts paid or received by the Company in any other currency shall be converted to United States Dollars at the rate of exchange at the date such transaction is entered on the books of the Company.

Article 12 - Taxes (BRMA 50B)

In consideration of the terms under which this Contract is issued, the Company will not claim a deduction in respect of the premium hereon when making tax returns, other than income or profits tax returns, to any state or territory of the United States of America or the District of Columbia.

Article 13 - Federal Excise Tax (BRMA 17D)

- A. The Reinsurer has agreed to allow for the purpose of paying the Federal Excise Tax the applicable percentage of the premium payable hereon (as imposed under Section 4371 of the Internal Revenue Code) to the extent such premium is subject to the Federal Excise Tax.
- B. In the event of any return of premium becoming due hereunder the Reinsurer will deduct the applicable percentage from the return premium payable hereon and the Company or its agent should take steps to recover the tax from the United States Government.

Article 14 - Foreign Account Tax Compliance Act

- A. To the extent the Reinsurer is subject to the deduction and withholding of premium payable hereon as set forth in the Foreign Account Tax Compliance Act (Sections 1471-1474 of the Internal Revenue Code), the Reinsurer shall allow such deduction and withholding from the premium payable under this Contract.
- B. In the event of any return of premium becoming due hereunder, the return premium shall be determined and paid in full without regard to any amounts deducted or withheld under paragraph A of this Article. In the event the Company or its agent recovers such premium

deductions and withholdings on the return premium from the United States Government, the Company or its agent shall reimburse the Reinsurer for such amounts.

Article 15 - Reserves

A. The Reinsurer agrees to fund its share of amounts, including but not limited to, the Company's ceded unearned premium and outstanding loss reserves (being the sum of all reinstatement premiums paid by the Company under the Original Contract but not yet recovered from the Reinsurer, plus the Company's reserves for reinstatement premium due under the Original Contract, if any) (hereinafter referred to as "Reinsurer's Obligations") by:

1. Clean, irrevocable and unconditional letters of credit issued and confirmed, if confirmation is required by the insurance regulatory authorities involved, by a bank or banks meeting the NAIC Securities Valuation Office credit standards for issuers of letters of credit and acceptable to said insurance regulatory authorities; and/or
2. Escrow accounts for the benefit of the Company; and/or
3. Cash advances;

if the Reinsurer:

1. Is unauthorized in any state of the United States of America or the District of Columbia having jurisdiction over the Company and if, without such funding, a penalty would accrue to the Company on any financial statement it is required to file with the insurance regulatory authorities involved; or
2. Has an A.M. Best Company's rating equal to or below B++ at the inception of this Contract.

The Reinsurer, at its sole option, may fund in other than cash if its method and form of funding are acceptable to the insurance regulatory authorities involved.

B. With regard to funding in whole or in part by letters of credit, it is agreed that each letter of credit will be in a form acceptable to insurance regulatory authorities involved, will be issued for a term of at least one year and will include an "evergreen clause," which automatically extends the term for at least one additional year at each expiration date unless written notice of non-renewal is given to the Company not less than 30 days prior to said expiration date. The Company and the Reinsurer further agree, notwithstanding anything to the contrary in this Contract, that said letters of credit may be drawn upon by the Company or its successors in interest at any time, without diminution because of the insolvency of the Company or the Reinsurer, but only for one or more of the following purposes:

1. To reimburse itself for the Reinsurer's share of unearned premiums returned to insureds on account of policy cancellations, unless paid in cash by the Reinsurer;
2. To reimburse itself for the Reinsurer's share of reinstatement premiums paid by the Company under the terms of the Original Contract, unless paid in cash by the Reinsurer;

3. To reimburse itself for the Reinsurer's share of any other amounts claimed to be due hereunder, unless paid in cash by the Reinsurer;
4. To fund a cash account in an amount equal to the Reinsurer's share of amounts, including, but not limited to, the Reinsurer's Obligations as set forth above, funded by means of a letter of credit which is under non-renewal notice, if said letter of credit has not been renewed or replaced by the Reinsurer 10 days prior to its expiration date;
5. To refund to the Reinsurer any sum in excess of the actual amount required to fund the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, if so requested by the Reinsurer.

In the event the amount drawn by the Company on any letter of credit is in excess of the actual amount required for B(1), B(2) or B(4), or in the case of B(3), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn.

Article 16 - Insolvency

- A. In the event of the insolvency of the Company, this reinsurance shall be payable directly to the Company or to its liquidator, receiver, conservator or statutory successor on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the policy or bond reinsured which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the Court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.
- B. Where two or more Subscribing Reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this Contract as though such expense had been incurred by the Company.
- C. It is further understood and agreed that, in the event of the insolvency of the Company, the reinsurance under this Contract shall be payable directly by the Reinsurer to the Company or to its liquidator, receiver or statutory successor, except as provided by Section 4118(a) of the New York Insurance Law or except (1) where this Contract specifically provides another payee of such reinsurance 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.

Article 17 - Arbitration

- A. As a condition precedent to any right of action hereunder, in the event of any dispute or difference of opinion hereafter arising with respect to this Contract, it is hereby mutually agreed that such dispute or difference of opinion shall be submitted to arbitration. One Arbiter shall be chosen by the Company, the other by the Reinsurer, and an Umpire shall be chosen by the two Arbiters before they enter upon arbitration, all of whom shall be active or retired disinterested executive officers of insurance or reinsurance companies or Lloyd's London Underwriters. In the event that either party should fail to choose an Arbiter within 30 days following a written request by the other party to do so, the requesting party may choose two Arbiters who shall in turn choose an Umpire before entering upon arbitration. If the two Arbiters fail to agree upon the selection of an Umpire within 30 days following their appointment, each Arbiter shall nominate three candidates within 10 days thereafter, two of whom the other shall decline, and the decision shall be made by drawing lots.
- B. Each party shall present its case to the Arbiters within 30 days following the date of appointment of the Umpire. The Arbiters shall consider this Contract as an honorable engagement rather than merely as a legal obligation and they are relieved of all judicial formalities and may abstain from following the strict rules of law. The decision of the Arbiters shall be final and binding on both parties; but failing to agree, they shall call in the Umpire and the decision of the majority shall be final and binding upon both parties. Judgment upon the final decision of the Arbiters may be entered in any court of competent jurisdiction.
- C. If more than one Subscribing Reinsurer is involved in the same dispute, all such Subscribing Reinsurers shall, at the option of the Company, constitute and act as one party for purposes of this Article and communications shall be made by the Company to each of the Subscribing Reinsurers constituting one party, provided, however, that nothing herein shall impair the rights of such Subscribing Reinsurers to assert several, rather than joint, defenses or claims, nor be construed as changing the liability of the Subscribing Reinsurers participating under the terms of this Contract from several to joint.
- D. Each party shall bear the expense of its own Arbiter, and shall jointly and equally bear with the other the expense of the Umpire and of the arbitration. In the event that the two Arbiters are chosen by one party, as above provided, the expense of the Arbiters, the Umpire and the arbitration shall be equally divided between the two parties.
- E. Any arbitration proceedings shall take place at a location mutually agreed upon by the parties to this Contract, but notwithstanding the location of the arbitration, all proceedings pursuant hereto shall be governed by the law of the state in which the Company has its principal office.

Article 18 - Service of Suit (BRMA 49C)

(Applicable if the Reinsurer is not domiciled in the United States of America, and/or is not authorized in any State, Territory or District of the United States where authorization is required by insurance regulatory authorities)

- A. It is agreed that in the event the Reinsurer fails to pay any amount claimed to be due hereunder, the Reinsurer, at the request of the Company, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction 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.
- B. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Reinsurer hereby designates the party named in its Interests and Liabilities Agreement, or if no party is named therein, the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract.

Article 19 - Severability (BRMA 72E)

If any provision of this Contract shall be rendered illegal or unenforceable by the laws, regulations or public policy of any state, such provision shall be considered void in such state, but this shall not affect the validity or enforceability of any other provision of this Contract or the enforceability of such provision in any other jurisdiction.

Article 20 - Governing Law (BRMA 71B)

This Contract shall be governed by and construed in accordance with the laws of the State of Florida.

Article 21 - Confidentiality

- A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract, including all information obtained through any audits and any claims information between the Company and the Reinsurer, and any submission or other materials relating to any renewal (hereinafter referred to as "Confidential Information") are proprietary and confidential to the Company.
- B. Except as provided for in paragraph C below, the Reinsurer shall not disclose any Confidential Information to any third parties, including but not limited to the Reinsurer's subsidiaries and affiliates, other insurance companies and their subsidiaries and affiliates,

underwriting agencies, research organizations, any unaffiliated entity engaged in modeling insurance or reinsurance data, and statistical rating organizations.

- C. Confidential Information may be used by the Reinsurer only in connection with the performance of its obligations or enforcement of its rights under this Contract and will only be disclosed when required by (1) retrocessionaires subject to the business ceded to this Contract, (2) regulators performing an audit of the Reinsurer's records and/or financial condition, or (3) external auditors performing an audit of the Reinsurer's records in the normal course of business; provided that the Reinsurer advises such parties of the confidential nature of the Confidential Information and their obligation to maintain its confidentiality. The Reinsurer shall be responsible for any breach of this provision by any third-party representatives of the Reinsurer. The Company requires that any third-party representatives of the Reinsurer agree, in writing, to be bound by this Confidentiality Article or by a separate written confidentiality agreement, containing terms no less stringent than those set forth in this Article.
- D. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.
- E. Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of Non-Public Personally Identifiable Information. "Non-Public Personally Identifiable Information" shall be defined as this term or a similar term is defined in any applicable state, provincial, territory, or federal law. Disclosing or using this information for any purpose not authorized by applicable law is expressly forbidden without the prior consent of the Company.
- F. The parties agree that any information subject to privilege, including the attorney-client privilege or attorney work product doctrine (collectively "Privilege") shall not be disclosed to the Reinsurer until, in the Company's opinion, such Privilege is deemed to be waived or otherwise compromised by virtue of its disclosure pursuant to this Contract. Furthermore, the Reinsurer shall not assert that any Privilege otherwise applicable to the Confidential Information has been waived or otherwise compromised by virtue of its disclosure pursuant to this Contract.
- G. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

Article 22 - Non-Waiver

The failure of the Company or Reinsurer to insist on compliance with this Contract or to exercise any right, remedy or option hereunder shall not: (1) constitute a waiver of any rights contained in this Contract, (2) prevent the Company or Reinsurer from thereafter demanding full and complete compliance, (3) prevent the Company or Reinsurer from exercising such remedy in the future, nor (4) affect the validity of this Contract or any part thereof.

Article 23 - Notices and Contract Execution

- A. Whenever a notice, statement, report or any other written communication is required by this Contract, unless otherwise specified, such notice, statement, report or other written communication may be transmitted by certified or registered mail, nationally or internationally recognized express delivery service, personal delivery, electronic mail, or facsimile. With the exception of notices of termination, first class mail is also acceptable.
- B. The use of any of the following shall constitute a valid execution of this Contract or any amendments thereto:
 - 1. Paper documents with an original ink signature;
 - 2. Facsimile or electronic copies of paper documents showing an original ink signature; and/or
 - 3. Electronic records with an electronic signature made via an electronic agent. For the purposes of this Contract, the terms "electronic record," "electronic signature" and "electronic agent" shall have the meanings set forth in the Electronic Signatures in Global and National Commerce Act of 2000 or any amendments thereto.
- C. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

Article 24 - Intermediary

Aon Benfield Inc., or one of its affiliated corporations duly licensed as a reinsurance intermediary, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss adjustment expense, salvages and loss settlements) relating to this Contract 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.

In Witness Whereof, the Company by its duly authorized representative has executed this Contract as of the date specified below:

This _____ day of _____ in the year _____.

Federated National Insurance Company

/s/ Michael H. Braun /s/ signed by all participating reinsurers

Schedule A

Reinstatement Premium Protection

Reinsurance Contract

Effective: July 1, 2016

Federated National Insurance Company

Sunrise, Florida

	Original Contract First Excess	Original Contract Second Excess	Original Contract Third Excess	Original Contract Fourth Excess	Original Contract Fifth Excess
Reinsurer's Per Occurrence Limit	*****	*****	*****	*****	*****
Reinsurer's Term Limit	*****	*****	*****	*****	*****
Minimum Premium	*****	*****	*****	*****	*****
AAL	*****	*****	*****	*****	*****
Annual Deposit Premium	*****	*****	*****	*****	*****
Deposit Premium Installments	*****	*****	*****	*****	*****

Schedule B

Reinstatement Premium Protection

Reinsurance Contract

Effective: July 1, 2016

Federated National Insurance Company

Sunrise, Florida

	First RPP Layer	Second RPP Layer	Third RPP Layer	Fourth RPP Layer	Fifth RPP Layer
Reinstatement Factor	*****	*****	*****	*****	*****
Annual Deposit Premium	*****	*****	*****	*****	*****
Deposit Premium Installments	*****	*****	*****	*****	*****

The figures listed above for each excess layer shall apply to each Subscribing Reinsurer in the percentage share for that excess layer as expressed in its Interests and Liabilities Agreement attached hereto.

The Interests and Liabilities Agreements, constituting 28 pages in total, have been omitted in accordance with Rule 24b-2 under the Exchange Act. These pages have been filed separately with the Securities and Exchange Commission.

Excess Catastrophe Reinsurance Contract
Effective: July 1, 2016

Federated National Insurance Company
Sunrise, Florida

*****Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

Reinsurer(s)	First Excess Catastrophe	Participation(s)
Aeolus Re Ltd. in respect of Keystone Segregated Account**		*%
Arch Reinsurance Ltd.		*%
Endurance Specialty Insurance Ltd.**		*%
Hamilton Re, Ltd.		*%
RLI Insurance Company		*%
Tokio Millennium Re AG, Bermuda Branch (Securis Investments Business)		*%
Transatlantic Reinsurance Company		*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)		
China Reinsurance (Group) Corporation**		*%
General Insurance Corporation of India**		*%
MS Amlin AG Bermuda Branch**		*%
Through Aon UK Limited trading as Aon Benfield		
Lloyd's Underwriters Per Signing Page(s)**		*%
Total		*%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

Second Excess Catastrophe

Reinsurer(s)	Participation(s)
Arch Reinsurance Ltd.	*%
Ariel Re Bda Limited for and on behalf of Ariel Syndicate No. 1910	*%
Chubb Tempest Reinsurance Ltd.**	*%
DaVinci Reinsurance Ltd.**	*%
Endurance Specialty Insurance Ltd.**	*%
Fidelis Insurance Bermuda Limited	*%
Hamilton Re, Ltd.	*%
Hiscox Insurance Company (Bermuda) Limited	*%
Partner Reinsurance Company Ltd.	*%
Renaissance Reinsurance Ltd.**	*%
The Cincinnati Insurance Company	*%
Transatlantic Reinsurance Company	*%
XL Bermuda Ltd	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Ascot Underwriting (Bermuda) Limited for and on behalf of American International Reinsurance Company, Ltd.**	*%
China Reinsurance (Group) Corporation**	*%
General Insurance Corporation of India**	*%
Liberty Syndicates LIB 4472, Paris Office Underwriting for and on behalf of Lloyd's Syndicate No. 4472**	*%
MS Amlin AG Bermuda Branch**	*%
Peak Reinsurance Company Limited**	*%
Pioneer Underwriting Limited for and on behalf of Peak Reinsurance Company Limited**	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters and Companies** Per Signing Page(s)	*%
Total	<hr/> *%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

Third Excess Catastrophe

Reinsurer(s)	Participation(s)
Allied World Assurance Company, Ltd	*%
Argo Re Ltd.	*%
Ariel Re Bda Limited	
or and on behalf of Ariel Syndicate No. 1910	*%
Aspen Bermuda Limited	*%
Endurance Specialty Insurance Ltd.**	*%
Fidelis Insurance Bermuda Limited	*%
Hamilton Re, Ltd.	*%
Odyssey Reinsurance Company	*%
QBE Reinsurance Corporation	*%
The Cincinnati Insurance Company	*%
XL Bermuda Ltd	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Ascot Underwriting (Bermuda) Limited	
for and on behalf of American International Reinsurance Company, Ltd.**	*%
China Reinsurance (Group) Corporation**	*%
General Insurance Corporation of India**	*%
Liberty Syndicates LIB 4472, Paris Office Underwriting for and on behalf of	
Lloyd's Syndicate No. 4472**	*%
MS Amlin AG Bermuda Branch**	*%
Peak Reinsurance Company Limited**	*%
Pioneer Underwriting Limited	
for and on behalf of Peak Reinsurance Company Limited**	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters and Companies**	
Per Signing Page(s)	*%
Total	<hr/> *%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

Fourth Excess Catastrophe

Reinsurer(s)	Participation(s)
Allied World Assurance Company, Ltd	*%
American Agricultural Insurance Company	*%
Arch Reinsurance Ltd.	*%
Aspen Bermuda Limited	*%
BGS Services (Bermuda) Limited	
for and on behalf of Lloyd's Syndicate No. 2987	*%
Chubb Tempest Reinsurance Ltd.**	*%
Fidelis Insurance Bermuda Limited	*%
Hamilton Re, Ltd.	*%
Odyssey Reinsurance Company	*%
Qatar Reinsurance Company Limited	*%
QBE Reinsurance Corporation	*%
Transatlantic Reinsurance Company	*%
XL Bermuda Ltd	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Ascot Underwriting (Bermuda) Limited	
for and on behalf of American International Reinsurance Company, Ltd.**	*%
China Reinsurance (Group) Corporation**	*%
Fubon Insurance Co., Ltd.**	*%
General Insurance Corporation of India**	*%
Liberty Syndicates LIB 4472, Paris Office Underwriting for and on behalf of	
Lloyd's Syndicate No. 4472**	*%
MS Amlin AG Bermuda Branch**	*%
Peak Reinsurance Company Limited**	*%
Pioneer Underwriting Limited	
for and on behalf of Taiping Reinsurance Co. Ltd.**	*%
Pioneer Underwriting Limited	
for and on behalf of Peak Reinsurance Company Limited**	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters and Companies**	
Per Signing Page(s)	*%
Total	<hr/> *%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

Fifth Excess Catastrophe

Reinsurer(s)	Participation(s)
Allied World Assurance Company, Ltd	*%
Arch Reinsurance Ltd.	*%
Chubb Tempest Reinsurance Ltd.**	*%
DaVinci Reinsurance Ltd.**	*%
Fidelis Insurance Bermuda Limited	*%
Odyssey Reinsurance Company	*%
Partner Reinsurance Company Ltd.	*%
Qatar Reinsurance Company Limited	*%
Renaissance Reinsurance Ltd.**	*%
Swiss Reinsurance America Corporation	
By: Swiss Re Underwriters Agency Inc., its authorized representative**	*%
Transatlantic Reinsurance Company	*%
XL Bermuda Ltd	*%
Through Aon UK Limited trading as Aon Benfield (Placement Only)	
Ascot Underwriting (Bermuda) Limited	
for and on behalf of American International Reinsurance Company, Ltd.**	*%
China Reinsurance (Group) Corporation**	*%
Liberty Syndicates LIB 4472, Paris Office Underwriting for and on behalf of Lloyd's Syndicate No. 4472**	*%
MS Amlin AG Bermuda Branch**	*%
Peak Reinsurance Company Limited**	*%
Pioneer Underwriting Limited	
for and on behalf of Taiping Reinsurance Co. Ltd.**	*%
Pioneer Underwriting Limited	
for and on behalf of Peak Reinsurance Company Limited**	*%
Through Aon UK Limited trading as Aon Benfield	
Lloyd's Underwriters Per Signing Page(s)**	*%
Total	<hr/> *%

**Both the Company and the *Subscribing Reinsurer* sign the Interests and Liabilities Agreement.

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Excess Catastrophe Reinsurance Contract
Effective: July 1, 2016

entered into by and between

Federated National Insurance Company
Sunrise, Florida
(hereinafter referred to as the "Company")

and

The Subscribing Reinsurer(s) Executing the
Interests and Liabilities Agreement(s)
Attached Hereto
(hereinafter referred to as the "Reinsurer")

Article 1 - Classes of Business Reinsured

By this Contract the Reinsurer agrees to reinsure the excess liability which may accrue to the Company under its policies in force at the effective time and date hereof or issued or renewed at or after that time and date, and classified by the Company as Property business, including but not limited to, Dwelling Fire, Inland Marine, Mobile Home, Commercial and Homeowners business (including any business assumed from Citizens Property Insurance Corporation), subject to the terms, conditions and limitations set forth herein and in Schedule A attached hereto.

Article 2 - Commencement and Termination

- A. This Contract shall become effective at 12:01 a.m., Eastern Standard Time, July 1, 2016, with respect to losses arising out of loss occurrences commencing at or after that time and date, and shall remain in force until 12:01 a.m., Eastern Standard Time, July 1, 2017.
- B. Notwithstanding the provisions of paragraph A above, the Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event any of the following circumstances occur:
 - 1. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at the inception of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) 12 months prior to that date; or
 - 2. The Subscribing Reinsurer's policyholders' surplus (or its equivalent under the Subscribing Reinsurer's accounting system) at any time during the term of this Contract has been reduced by 20.0% or more of the amount of surplus (or the applicable equivalent) at the date of the Subscribing Reinsurer's most recent financial

statement filed with regulatory authorities and available to the public as of the inception of this Contract; or

3. The Subscribing Reinsurer's A.M. Best's rating has been assigned or downgraded below A- and/or Standard & Poor's rating has been assigned or downgraded below BBB+; or
 4. The Subscribing Reinsurer has become, or has announced its intention to become, merged with, acquired by or controlled by any other entity or individual(s) not controlling the Subscribing Reinsurer's operations previously; or
 5. A State Insurance Department or other legal authority has ordered the Subscribing Reinsurer to cease writing business; or
 6. The Subscribing Reinsurer has become insolvent or has been placed into liquidation, receivership, supervision, administration, winding-up or under a scheme of arrangement, or similar proceedings (whether voluntary or involuntary) or proceedings have been instituted against the Subscribing Reinsurer for the appointment of a receiver, liquidator, rehabilitator, supervisor, administrator, conservator or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations; or
 7. The Subscribing Reinsurer has reinsured its entire liability under this Contract without the Company's prior written consent; or
 8. The Subscribing Reinsurer has ceased assuming new or renewal property or casualty treaty reinsurance business; or
 9. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid; or
 10. The Subscribing Reinsurer has failed to comply with the funding requirements set forth in the Reserves Article.
- C. The "term of this Contract" as used herein shall mean the period from 12:01 a.m., Eastern Standard Time, July 1, 2016 to 12:01 a.m., Eastern Standard Time, July 1, 2017. However, if this Contract is terminated, the "term of this Contract" as used herein shall mean the period from 12:01 a.m., Eastern Standard Time, July 1, 2016 to the effective time and date of termination.
- D. If this Contract is terminated or expires while a loss occurrence covered hereunder is in progress, the Reinsurer's liability hereunder shall, subject to the other terms and conditions of this Contract, be determined as if the entire loss occurrence had occurred prior to the termination or expiration of this Contract, provided that no part of such loss occurrence is claimed against any renewal or replacement of this Contract.

Article 3 - Territory

The territorial limits of this Contract shall be identical with those of the Company's policies.

Article 4 - Exclusions

A. This Contract does not apply to and specifically excludes the following:

1. Reinsurance assumed by the Company under obligatory reinsurance agreements, except business assumed by the Company from Citizens Property Insurance Corporation.
2. Hail damage to growing or standing crops.
3. Business rated, coded or classified as Flood insurance or which should have been rated, coded or classified as such.
4. Business rated, coded or classified as Mortgage Impairment and Difference in Conditions insurance or which should have been rated, coded or classified as such.
5. Title insurance and all forms of Financial Guarantee, Credit and Insolvency.
6. Aviation, Ocean Marine, Boiler and Machinery, Fidelity and Surety, Accident and Health, Animal Mortality and Workers Compensation and Employers Liability.
7. Errors and Omissions, Malpractice and any other type of Professional Liability insurance.
8. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company's property loss under the applicable original policy.
9. Loss or liability as excluded under the provisions of the "War Exclusion Clause" attached to and forming part of this Contract.
10. Nuclear risks as defined in the "Nuclear Incident Exclusion Clause - Physical Damage - Reinsurance (U.S.A.)" attached to and forming part of this Contract.
11. Loss or liability excluded by the Pools, Associations and Syndicates Exclusion Clause (Catastrophe) attached to and forming part of this Contract and any assessment or similar demand for payment related to the FHCF or Citizens Property Insurance Corporation.
12. Loss or 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, however denominated, established or

governed, which 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.

13. Losses in the respect of overhead transmission and distribution lines other than those on or within 150 meters (or 500 feet) of the insured premises.
14. Mold, unless resulting from a peril otherwise covered under the policy involved.
15. Loss or liability as excluded under the provisions of the "Terrorism Exclusion" attached to and forming part of this Contract.
16. All property loss, damage, destruction, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including, but not limited to, Computer Virus) or loss of use, reduction in functionality, cost, expense or whatsoever nature resulting therefrom, unless resulting from a peril otherwise covered under the policy involved.

"Electronic Data" as used herein means facts, concepts and information converted to a form usable for communications, interpretation or processing by electronic and electromechanical data processing or electronically-controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Computer Virus" as used herein means a set of corrupting, harmful or otherwise unauthorized instructions or code, including a set of maliciously-introduced, unauthorized instructions or code, that propagate themselves through a computer system network of whatsoever nature.

However, in the event that a peril otherwise covered under the policy results from any of the matters described above, this Contract, subject to all other terms and conditions, will cover physical damage directly caused by such listed peril.

Article 5 - Retention and Limit

- A. The Company shall retain and be liable for the first \$20,500,000 of ultimate net loss arising out of each loss occurrence. The Reinsurer shall then be liable, as respects each excess layer, for the amount by which such ultimate net loss exceeds the Company's retention, but the liability of the Reinsurer under each excess layer shall not exceed the amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, as respects any one loss occurrence.

Whether a loss occurrence results in an ultimate net loss under one or more of the excess layers set forth in Schedule A attached hereto, the Company's retention will not exceed the first \$20,500,000 of ultimate net loss arising out of such loss occurrence.

- B. Recoveries shall always be made, in the first instance, under the lowest excess layer that is not entirely exhausted. If there is any amount of ultimate net loss arising out of a loss

occurrence in excess of the Company's retention under the lowest excess layer that has not been recovered thereunder, such amount shall be recovered under the next or subsequent excess layer or layers, as appropriate. Recoveries under each excess layer set forth in Schedule A attached to and forming part of this Contract shall inure as follows:

1. Recoveries under the First Excess layer shall inure to the benefit of the Second Excess layer;
2. Recoveries under the First and Second Excess layers shall inure to the benefit of the Third Excess layer; and
3. Recoveries under the First, Second and Third Excess layers shall inure to the benefit of the Fourth Excess layer.
4. Recoveries under the First, Second, Third and Fourth Excess layers shall inure to the benefit of the Fifth Excess layer.

It is understood, however, that any fully exhausted excess layer or the exhausted portion of any excess layer shall no longer inure to the benefit of any subsequent excess layer(s).

- C. Notwithstanding the provisions above, no claim shall be made hereunder as respects losses arising out of loss occurrences commencing during the term of this Contract unless at least two risks insured or reinsured by the Company are involved in such loss occurrence. For purposes hereof, the Company shall be the sole judge of what constitutes "one risk."

Article 6 - Florida Hurricane Catastrophe Fund

The Company has purchased 75.0% of the FHCF mandatory layer of coverage and shall be deemed to inure to the benefit of this Contract. Further, any FHCF loss reimbursement shall be deemed to be paid to the Company in accordance with the FHCF reimbursement contract at the full payout level set forth therein and will be deemed not to be reduced by any reduction or exhaustion of the FHCF's claims-paying capacity as respects the mandatory FHCF coverage.

Article 7 - Other Reinsurance

- A. The Company shall be permitted to carry other reinsurance, recoveries under which shall inure solely to the benefit of the Company and be entirely disregarded in applying all of the provisions of this Contract.
- B. Any loss reimbursement received under the Company's FHCF Supplement Layer Reinsurance Contract (16\F7V1085), which shall be deemed to be placed at 15.0%, shall be deemed to inure to the benefit of this Contract.

Article 8 - Reinstatement

- A. In the event all or any portion of the reinsurance under any excess layer of reinsurance coverage provided by this Contract is exhausted by ultimate net loss, the amount so exhausted shall be reinstated immediately from the time the loss occurrence commences hereon. For each amount so reinstated the Company agrees to pay additional premium equal to the product of the following:
1. The percentage of the occurrence limit for the excess layer reinstated (based on the ultimate net loss paid by the Reinsurer under that excess layer); times
 2. The earned reinsurance premium for the excess layer reinstated for the term of this Contract (exclusive of reinstatement premium).
- B. Whenever the Company requests payment by the Reinsurer of any ultimate net loss under any excess layer hereunder, the Company shall submit a statement to the Reinsurer of reinstatement premium due the Reinsurer for that excess layer. If the earned reinsurance premium for any excess layer for the term of this Contract has not been finally determined as of the date of any such statement, the calculation of reinstatement premium due for that excess layer shall be based on the amount, shown as "Annual Deposit Premium" for that excess layer in Schedule A attached hereto, and shall be readjusted when the earned reinsurance premium for that excess layer for the term of this Contract has been finally determined. Any reinstatement premium shown to be due the Reinsurer for any excess layer as reflected by any such statement (less prior payments, if any, for that excess layer) shall be payable by the Company concurrently with payment by the Reinsurer of the requested ultimate net loss for that excess layer. Any return reinstatement premium shown to be due the Company shall be remitted by the Reinsurer as promptly as possible after receipt and verification of the Company's statement.
- C. Notwithstanding anything stated herein, the liability of the Reinsurer for ultimate net loss under any excess layer of reinsurance coverage provided by this Contract shall not exceed either of the following:
1. The amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, as respects loss or losses arising out of any one loss occurrence; or
 2. The amount, shown as "Reinsurer's Term Limit" for that excess layer in Schedule A attached hereto, in all during the term of this Contract.

Article 9 - Definitions

- A. "Loss adjustment expense," regardless of how such expenses are classified for statutory reporting purposes, as used in this Contract shall mean all costs and expenses allocable to a specific claim that are incurred by the Company in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim, including court costs and costs of supersedeas and appeal bonds, and including a) pre-judgment interest, unless included as part of the award or judgment; b) post-judgment interest; c) legal expenses and costs incurred in connection with coverage questions and legal actions

connected thereto, including Declaratory Judgment Expense; and d) expenses and a pro rata share of salaries of the Company field employees, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract.

Loss adjustment expense as defined above does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of employees, other than in (d) above, and office and other overhead expenses.

B. "Loss in excess of policy limits" and "extra contractual obligations" as used in this Contract shall mean:

1. "Loss in excess of policy limits" shall mean 90.0% of any amount paid or payable by the Company in excess of its policy limits, but otherwise within the terms of its policy, such loss in excess of the Company's policy limits having been incurred because of, but not limited to, failure by the Company to settle within the policy limits or by reason of the Company's alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of an action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such an action. Any loss in excess of policy limits that is made in connection with this Contract shall not exceed 25.0% of the actual catastrophe loss.
2. "Extra contractual obligations" shall mean 90.0% of any punitive, exemplary, compensatory or consequential damages paid or payable by the Company, not covered by any other provision of this Contract and which arise from the handling of any claim on business subject to this Contract, such liabilities arising because of, but not limited to, failure by the Company to settle within the policy limits or by reason of the Company's alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of an action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such an action. An extra contractual obligation shall be deemed, in all circumstances, to have occurred on the same date as the loss covered or alleged to be covered under the policy. Any extra contractual obligations that are made in connection with this Contract shall not exceed 25.0% of the actual catastrophe loss.

Notwithstanding anything stated herein, this Contract shall not apply to any loss in excess of policy limits or any extra contractual obligation incurred by the Company as a result of any fraudulent and/or criminal act by any officer or director of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

- C. "Policies" as used in this Contract shall mean all policies, contracts and binders of insurance or reinsurance.
- D. "Ultimate net loss" as used in this Contract shall mean the sum or sums (including loss in excess of policy limits, extra contractual obligations and loss adjustment expense, as defined herein) paid or payable by the Company in settlement of claims and in satisfaction of judgments rendered on account of such claims, after deduction of all salvage, all recoveries and all claims on inuring insurance or reinsurance, whether collectible or not.

Nothing herein shall be construed to mean that losses under this Contract are not recoverable until the Company's ultimate net loss has been ascertained.

Article 10 - Loss Occurrence

- A. The term "loss occurrence" shall 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. However, the duration and extent of any one "loss occurrence" shall 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" shall be further defined as follows:

2. As regards storm or storm systems that are not a named storm, including, by way of example and not limitation, ensuing wind, gusts, typhoon, tropical storm, hail, rain, tornados, cyclones, ensuing flood, storm surge, fire following, sprinkler leakage, riots, vandalism, collapse and water damage, all individual losses sustained by the Company occurring during any period of 144 consecutive hours arising out of, caused by, occurring during, occasioned by or resulting from the same event. However, the event need not be limited to one state or province or states or provinces contiguous thereto.
3. 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 96 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 96 consecutive hours may be extended in respect of individual losses which occur beyond such 96 consecutive hours during the continued occupation of an assured's premises by strikers, provided such occupation commenced during the aforesaid period.
4. As regards earthquake (the epicenter of which need not necessarily be within the territorial confines referred to in paragraph A of this Article) and fire following directly occasioned by the earthquake, only those individual fire losses which commence during the period of 168 consecutive hours may be included in the Company's loss occurrence.
5. As regards freeze, only individual losses directly occasioned by collapse, breakage of glass and water damage (caused by bursting frozen pipes and tanks) may be included in the Company's loss occurrence.
6. As regards firestorms, brush fires and any other fires or series of fires, irrespective of origin (except as provided in subparagraphs 3 and 4 above), all individual losses sustained by the Company which commence during any period of 168 consecutive hours within the area of one state of the United States or province of Canada and

states or provinces contiguous thereto and to one another may be included in the Company's loss occurrence.

- B. For all loss occurrences hereunder, the Company may choose the date and time when any such period of consecutive hours commences, 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 or series of disasters, accidents, or losses. Furthermore:
1. For all loss occurrences other than those referred to in subparagraphs A.1., A.2., and A.3. above, only one such period of 168 consecutive hours shall apply with respect to one event.
 2. As regards those loss occurrences referred to in subparagraphs A.1. and A.2., only one such period of consecutive hours (as set forth therein) shall apply with respect to one event, regardless of the duration of the event.
 3. As regards those loss occurrences referred to in subparagraph A.3. above, if the disaster, accident, or loss or series of disasters, accidents, or losses occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident, or loss or series of disasters, accidents, or losses into two or more loss occurrences, provided that no two periods overlap and no individual loss is included in more than one such period.
- C. It is understood that losses arising from a combination of two or more perils as a result of the same event may be considered as having arisen from one loss occurrence. Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and no single loss occurrence shall encompass a time period greater than 168 consecutive hours, except as regards those loss occurrences referred to in subparagraphs A.1., A.4. and A.6. above.

Article 11 - Loss Notices and Settlements

- A. Whenever losses sustained by the Company are reserved by the Company for an amount greater than 50.0% of the Company's retention under any excess layer hereunder and/or appear likely to result in a claim under such excess layer, the Company shall notify the Subscribing Reinsurers under that excess layer and shall provide updates related to development of such losses. The Reinsurer shall have the right to participate in the adjustment of such losses at its own expense.
- B. All loss settlements made by the Company, provided they are within the terms of this Contract and the terms of the original policy (with the exception of loss in excess of policy limits or extra contractual obligations coverage, if any, under this Contract), shall be binding upon the Reinsurer, and the Reinsurer agrees to pay all amounts for which it may be liable upon receipt of reasonable evidence of the amount paid by the Company.

Article 12 - Cash Call

Notwithstanding the provisions of the Loss Notices and Settlements Article, upon the request of the Company, the Reinsurer shall pay any amount with regard to a loss settlement or settlements that are scheduled to be made (including any payments projected to be made) within the next 20 days by the Company, subject to receipt by the Reinsurer of a satisfactory proof of loss. Such agreed payment shall be made within 10 days from the date the demand for payment was transmitted to the Reinsurer.

Article 13 - Salvage and Subrogation

The Reinsurer shall be credited with salvage (i.e., reimbursement obtained or recovery made by the Company, less the actual cost, excluding salaries of officials and employees of the Company and sums paid to attorneys as retainer, of obtaining such reimbursement or making such recovery) on account of claims and settlements involving reinsurance hereunder. Salvage thereon shall always be used to reimburse the excess carriers in the reverse order of their priority according to their participation before being used in any way to reimburse the Company for its primary loss. The Company hereby agrees to enforce its rights to salvage or subrogation relating to any loss, a part of which loss was sustained by the Reinsurer, and to prosecute all claims arising out of such rights, if, in the Company's opinion, it is economically reasonable to do so.

Article 14 - Reinsurance Premium

- A. As premium for each excess layer of reinsurance coverage provided by this Contract, the Company shall pay the Reinsurer a premium equal to the product of the following (or a pro rata portion thereof in the event the term of this Contract is less than 12 months), subject to a minimum premium of the amount, shown as "Minimum Premium" for that excess layer in Schedule A attached hereto (or a pro rata portion thereof in the event the term of this Contract is less than 12 months):
1. The amount, shown as "Annual Deposit Premium" for that excess layer in Schedule A attached hereto; times
 2. The percentage calculated by dividing (a) the actual Average Annual Loss ("AAL") determined by the Company's wind insurance in force on September 30, 2016, by (b) the original AAL of the amount, shown as "AAL" for that excess layer in Schedule A attached hereto.

However, if the difference between the amount, shown as "Annual Deposit Premium" for that excess layer in Schedule A attached hereto, and the premium calculated in accordance with this paragraph A for the excess layer is less than a 10.0% increase or decrease, the premium due the Reinsurer will equal the amount, shown as "Annual Deposit Premium" for that excess layer in Schedule A attached hereto.

The Company's AAL shall be derived by averaging the applicable data produced by Applied Insurance Research (AIR) Touchstone v3.1 and Risk Management Solutions (RMS) RiskLink v15 catastrophe modeling software, in the long-term perspective, including

secondary uncertainty and loss amplification, but excluding storm surge. It is understood that the calculation of the actual AAL shall be based on the amount, shown as "Reinsurer's Per Occurrence Limit" for that excess layer in Schedule A attached hereto, net of (1) the FHCF mandatory layer of coverage purchased by the Company using the current estimates of the mandatory FHCF coverage of 75% of ***** excess of ***** , and of (2) the Company's FHCF Supplement Layer Reinsurance Contract (16\F7V1085), which shall be deemed to be placed at 15%.

- B. The Company shall pay the Reinsurer an annual deposit premium for each excess layer of the amount, shown as "Annual Deposit Premium" for that excess layer in Schedule A attached hereto, in four equal installments of the amount, shown as "Deposit Premium Installment" for that excess layer in Schedule A attached hereto, on July 1 and October 1 of 2016, and on January 1 and April 1 of 2017. However, in the event this Contract is terminated, there shall be no deposit premium installments due after the effective date of termination.
- C. On or before June 30, 2017, the Company shall provide a report to the Reinsurer setting forth the premium due hereunder for each excess layer for the term of this Contract, computed in accordance with paragraph A above, and any additional premium due the Reinsurer or return premium due the Company for each such excess layer shall be remitted promptly.

Article 15 - Sanctions

Neither the Company nor any Subscribing Reinsurer shall be liable for premium or loss under this Contract if it would result in a violation of any mandatory sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America that are applicable to either party.

Article 16 - Late Payments

- A. The provisions of this Article shall not be implemented unless specifically invoked, in writing, by one of the parties to this Contract.
- B. In the event any premium, loss or other payment due either party is not received by the intermediary named in the Intermediary Article (hereinafter referred to as the "Intermediary") by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest charge on the amount past due calculated for each such payment on the last business day of each month as follows:
 - 1. The number of full days which have expired since the due date or the last monthly calculation, whichever the lesser; times
 - 2. 1/365ths of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made; times
 - 3. The amount past due, including accrued interest.

It is agreed that interest shall accumulate until payment of the original amount due plus interest charges have been received by the Intermediary.

- C. The establishment of the due date shall, for purposes of this Article, be determined as follows:
1. As respects the payment of routine deposits and premiums due the Reinsurer, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 30 days after the date of transmittal by the Intermediary of the initial billing for each such payment.
 2. Any claim or loss payment due the Company hereunder shall be deemed due 10 days after the proof of loss or demand for payment is transmitted to the Reinsurer. If such loss or claim payment is not received within the 10 days, interest will accrue on the payment or amount overdue in accordance with paragraph B above, from the date the proof of loss or demand for payment was transmitted to the Reinsurer.
 3. As respects any payment, adjustment or return due either party not otherwise provided for in subparagraphs 1 and 2 of this paragraph C, the due date shall be as provided for in the applicable section of this Contract. In the event a due date is not specifically stated for a given payment, it shall be deemed due 10 days following transmittal of written notification that the provisions of this Article have been invoked.

For purposes of interest calculations only, amounts due hereunder shall be deemed paid upon receipt by the Intermediary.

- D. Nothing herein shall be construed as limiting or prohibiting a Subscribing Reinsurer from contesting the validity of any claim, or from participating in the defense of any claim or suit, or prohibiting either party from contesting the validity of any payment or from initiating any arbitration or other proceeding in accordance with the provisions of this Contract. If the debtor party prevails in an arbitration or other proceeding, then any interest charges due hereunder on the amount in dispute shall be null and void. If the debtor party loses in such proceeding, then the interest charge on the amount determined to be due hereunder shall be calculated in accordance with the provisions set forth above unless otherwise determined by such proceedings. If a debtor party advances payment of any amount it is contesting, and proves to be correct in its contestation, either in whole or in part, the other party shall reimburse the debtor party for any such excess payment made plus interest on the excess amount calculated in accordance with this Article.
- E. Interest charges arising out of the application of this Article that are \$1,000 or less from any party shall be waived unless there is a pattern of late payments consisting of three or more items over the course of any 12-month period.

Article 17 - Offset

The Company and the Reinsurer may offset any balance or amount due from one party to the other under this Contract or any other contract heretofore or hereafter entered into between the

Company and the Reinsurer, whether acting as assuming reinsurer or ceding company. The provisions of this Article shall not be affected by the insolvency of either party.

Article 18 - Access to Records

The Reinsurer or its designated representatives shall have access at any reasonable time to all records of the Company which pertain in any way to this reinsurance, provided the Reinsurer gives the Company at least 15 days prior notice of request for such access. However, a Subscribing Reinsurer or its designated representatives shall not have any right of access to the records of the Company if it is not current in all undisputed payments due the Company.

"Undisputed" as used herein shall mean any amount that the Subscribing Reinsurer has not contested in writing to the Company specifying the reason(s) why the payments are disputed.

Article 19 - Liability of the Reinsurer

- A. The liability of the Reinsurer shall follow that of the Company in every case and be subject in all respects to all the general and specific stipulations, clauses, waivers and modifications of the Company's policies and any endorsements thereon. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.
- B. Nothing herein shall in any manner create any obligations or establish any rights against the Reinsurer in favor of any third party or any persons not parties to this Contract.

Article 20 - Net Retained Lines (BRMA 32E)

- A. This Contract applies only to that portion of any policy which the Company retains net for its own account (prior to deduction of any underlying reinsurance specifically permitted in this Contract), and in calculating the amount of any loss hereunder and also in computing the amount or amounts in excess of which this Contract attaches, only loss or losses in respect of that portion of any policy which the Company retains net for its own account shall be included.
- B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts which may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

Article 21 - Errors and Omissions (BRMA 14F)

Inadvertent delays, errors or omissions made in connection with this Contract or any transaction hereunder shall not relieve either party from any liability which would have attached had such delay, error or omission not occurred, provided always that such error or omission is rectified as soon as possible after discovery.

Article 22 - Currency (BRMA 12A)

- A. Whenever the word "Dollars" or the "\$" sign appears in this Contract, they shall be construed to mean United States Dollars and all transactions under this Contract shall be in United States Dollars.
- B. Amounts paid or received by the Company in any other currency shall be converted to United States Dollars at the rate of exchange at the date such transaction is entered on the books of the Company.

Article 23 - Taxes (BRMA 50B)

In consideration of the terms under which this Contract is issued, the Company will not claim a deduction in respect of the premium hereon when making tax returns, other than income or profits tax returns, to any state or territory of the United States of America or the District of Columbia.

Article 24 - Federal Excise Tax (BRMA 17D)

- A. The Reinsurer has agreed to allow for the purpose of paying the Federal Excise Tax the applicable percentage of the premium payable hereon (as imposed under Section 4371 of the Internal Revenue Code) to the extent such premium is subject to the Federal Excise Tax.
- B. In the event of any return of premium becoming due hereunder the Reinsurer will deduct the applicable percentage from the return premium payable hereon and the Company or its agent should take steps to recover the tax from the United States Government.

Article 25 - Foreign Account Tax Compliance Act

- A. To the extent the Reinsurer is subject to the deduction and withholding of premium payable hereon as set forth in the Foreign Account Tax Compliance Act (Sections 1471-1474 of the Internal Revenue Code), the Reinsurer shall allow such deduction and withholding from the premium payable under this Contract.
- B. In the event of any return of premium becoming due hereunder, the return premium shall be determined and paid in full without regard to any amounts deducted or withheld under paragraph A of this Article. In the event the Company or its agent recovers such premium deductions and withholdings on the return premium from the United States Government, the Company or its agent shall reimburse the Reinsurer for such amounts.

Article 26 - Reserves

- A. The Reinsurer agrees to fund its share of amounts, including but not limited to, the Company's ceded unearned premium and outstanding loss and loss adjustment expense

reserves (including all case reserves plus any reasonable amount estimated to be unreported from known loss occurrences) (hereinafter referred to as "Reinsurer's Obligations") by:

1. Clean, irrevocable and unconditional letters of credit issued and confirmed, if confirmation is required by the insurance regulatory authorities involved, by a bank or banks meeting the NAIC Securities Valuation Office credit standards for issuers of letters of credit and acceptable to said insurance regulatory authorities; and/or
2. Escrow accounts for the benefit of the Company; and/or
3. Cash advances;

if the Reinsurer:

1. Is unauthorized in any state of the United States of America or the District of Columbia having jurisdiction over the Company and if, without such funding, a penalty would accrue to the Company on any financial statement it is required to file with the insurance regulatory authorities involved; or
2. Has an A.M. Best Company's rating equal to or below B++ at the inception of this Contract.

The Reinsurer, at its sole option, may fund in other than cash if its method and form of funding are acceptable to the insurance regulatory authorities involved.

- B. With regard to funding in whole or in part by letters of credit, it is agreed that each letter of credit will be in a form acceptable to insurance regulatory authorities involved, will be issued for a term of at least one year and will include an "evergreen clause," which automatically extends the term for at least one additional year at each expiration date unless written notice of non-renewal is given to the Company not less than 30 days prior to said expiration date. The Company and the Reinsurer further agree, notwithstanding anything to the contrary in this Contract, that said letters of credit may be drawn upon by the Company or its successors in interest at any time, without diminution because of the insolvency of the Company or the Reinsurer, but only for one or more of the following purposes:

1. To reimburse itself for the Reinsurer's share of unearned premiums returned to insureds on account of policy cancellations, unless paid in cash by the Reinsurer;
2. To reimburse itself for the Reinsurer's share of losses and/or loss adjustment expense paid under the terms of policies reinsured hereunder, unless paid in cash by the Reinsurer;
3. To reimburse itself for the Reinsurer's share of any other amounts claimed to be due hereunder, unless paid in cash by the Reinsurer;
4. To fund a cash account in an amount equal to the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, funded by means of a letter of credit which is under non-renewal notice, if said letter of credit has not been renewed or replaced by the Reinsurer 10 days prior to its expiration date;

5. To refund to the Reinsurer any sum in excess of the actual amount required to fund the Reinsurer's share of amounts, including but not limited to, the Reinsurer's Obligations as set forth above, if so requested by the Reinsurer.

In the event the amount drawn by the Company on any letter of credit is in excess of the actual amount required for B(1), B(2) or B(4), or in the case of B(3), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn.

Article 27 - Insolvency

- A. In the event of the insolvency of the Company, this reinsurance shall be payable directly to the Company or to its liquidator, receiver, conservator or statutory successor on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the policy or bond reinsured which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the Court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.
- B. Where two or more Subscribing Reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this Contract as though such expense had been incurred by the Company.
- C. It is further understood and agreed that, in the event of the insolvency of the Company, the reinsurance under this Contract shall be payable directly by the Reinsurer to the Company or to its liquidator, receiver or statutory successor, except as provided by Section 4118(a) of the New York Insurance Law or except (1) where this Contract specifically provides another payee of such reinsurance 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.

Article 28 - Arbitration

- A. As a condition precedent to any right of action hereunder, in the event of any dispute or difference of opinion hereafter arising with respect to this Contract, it is hereby mutually

agreed that such dispute or difference of opinion shall be submitted to arbitration. One Arbiter shall be chosen by the Company, the other by the Reinsurer, and an Umpire shall be chosen by the two Arbiters before they enter upon arbitration, all of whom shall be active or retired disinterested executive officers of insurance or reinsurance companies or Lloyd's London Underwriters. In the event that either party should fail to choose an Arbiter within 30 days following a written request by the other party to do so, the requesting party may choose two Arbiters who shall in turn choose an Umpire before entering upon arbitration. If the two Arbiters fail to agree upon the selection of an Umpire within 30 days following their appointment, each Arbiter shall nominate three candidates within 10 days thereafter, two of whom the other shall decline, and the decision shall be made by drawing lots.

- B. Each party shall present its case to the Arbiters within 30 days following the date of appointment of the Umpire. The Arbiters shall consider this Contract as an honorable engagement rather than merely as a legal obligation and they are relieved of all judicial formalities and may abstain from following the strict rules of law. The decision of the Arbiters shall be final and binding on both parties; but failing to agree, they shall call in the Umpire and the decision of the majority shall be final and binding upon both parties. Judgment upon the final decision of the Arbiters may be entered in any court of competent jurisdiction.
- C. If more than one Subscribing Reinsurer is involved in the same dispute, all such Subscribing Reinsurers shall, at the option of the Company, constitute and act as one party for purposes of this Article and communications shall be made by the Company to each of the Subscribing Reinsurers constituting one party, provided, however, that nothing herein shall impair the rights of such Subscribing Reinsurers to assert several, rather than joint, defenses or claims, nor be construed as changing the liability of the Subscribing Reinsurers participating under the terms of this Contract from several to joint.
- D. Each party shall bear the expense of its own Arbiter, and shall jointly and equally bear with the other the expense of the Umpire and of the arbitration. In the event that the two Arbiters are chosen by one party, as above provided, the expense of the Arbiters, the Umpire and the arbitration shall be equally divided between the two parties.
- E. Any arbitration proceedings shall take place at a location mutually agreed upon by the parties to this Contract, but notwithstanding the location of the arbitration, all proceedings pursuant hereto shall be governed by the law of the state in which the Company has its principal office.

Article 29 - Service of Suit (BRMA 49C)

(Applicable if the Reinsurer is not domiciled in the United States of America, and/or is not authorized in any State, Territory or District of the United States where authorization is required by insurance regulatory authorities)

- A. It is agreed that in the event the Reinsurer fails to pay any amount claimed to be due hereunder, the Reinsurer, at the request of the Company, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction 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.

- B. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Reinsurer hereby designates the party named in its Interests and Liabilities Agreement, or if no party is named therein, the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract.

Article 30 - Severability (BRMA 72E)

If any provision of this Contract shall be rendered illegal or unenforceable by the laws, regulations or public policy of any state, such provision shall be considered void in such state, but this shall not affect the validity or enforceability of any other provision of this Contract or the enforceability of such provision in any other jurisdiction.

Article 31 - Governing Law (BRMA 71B)

This Contract shall be governed by and construed in accordance with the laws of the State of Florida.

Article 32 - Confidentiality

- A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract, including all information obtained through any audits and any claims information between the Company and the Reinsurer, and any submission or other materials relating to any renewal (hereinafter referred to as "Confidential Information") are proprietary and confidential to the Company.
- B. Except as provided for in paragraph C below, the Reinsurer shall not disclose any Confidential Information to any third parties, including but not limited to the Reinsurer's subsidiaries and affiliates, other insurance companies and their subsidiaries and affiliates, underwriting agencies, research organizations, any unaffiliated entity engaged in modeling insurance or reinsurance data, and statistical rating organizations.
- C. Confidential Information may be used by the Reinsurer only in connection with the performance of its obligations or enforcement of its rights under this Contract and will only be disclosed when required by (1) retrocessionaires subject to the business ceded to this Contract, (2) regulators performing an audit of the Reinsurer's records and/or financial condition, (3) external auditors performing an audit of the Reinsurer's records in the normal course of business, or (4) the Reinsurer's legal counsel; provided that the Reinsurer advises such parties of the confidential nature of the Confidential Information and their obligation to maintain its confidentiality. The Company may require that any third-party representatives of the Reinsurer agree, in writing, to be bound by this Confidentiality Article

or by a separate written confidentiality agreement, containing terms no less stringent than those set forth in this Article. If a third-party representative of the Reinsurer is not bound, in writing, by this Confidentiality Article or by a separate written confidentiality agreement, the Reinsurer shall be responsible for any breach of this provision by such third-party representative of the Reinsurer.

- D. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure, to the extent legally permissible, and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.
- E. Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of Non-Public Personally Identifiable Information. "Non-Public Personally Identifiable Information" shall be defined as this term or a similar term is defined in any applicable state, provincial, territory, or federal law. Disclosing or using this information for any purpose not authorized by applicable law is expressly forbidden without the prior consent of the Company.
- F. The parties agree that any information subject to privilege, including the attorney-client privilege or attorney work product doctrine (collectively "Privilege") shall not be disclosed to the Reinsurer until, in the Company's opinion, such Privilege is deemed to be waived or otherwise compromised by virtue of its disclosure pursuant to this Contract. Furthermore, the Reinsurer shall not assert that any Privilege otherwise applicable to the Confidential Information has been waived or otherwise compromised by virtue of its disclosure pursuant to this Contract.
- G. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

Article 33 - Non-Waiver

The failure of the Company or Reinsurer to insist on compliance with this Contract or to exercise any right, remedy or option hereunder shall not: (1) constitute a waiver of any rights contained in this Contract, (2) prevent the Company or Reinsurer from thereafter demanding full and complete compliance, (3) prevent the Company or Reinsurer from exercising such remedy in the future, nor (4) affect the validity of this Contract or any part thereof.

Article 34 - Notices and Contract Execution

- A. Whenever a notice, statement, report or any other written communication is required by this Contract, unless otherwise specified, such notice, statement, report or other written communication may be transmitted by certified or registered mail, nationally or internationally recognized express delivery service, personal delivery, electronic mail, or facsimile. With the exception of notices of termination, first class mail is also acceptable.

- B. The use of any of the following shall constitute a valid execution of this Contract or any amendments thereto:
1. Paper documents with an original ink signature;
 2. Facsimile or electronic copies of paper documents showing an original ink signature; and/or
 3. Electronic records with an electronic signature made via an electronic agent. For the purposes of this Contract, the terms "electronic record," "electronic signature" and "electronic agent" shall have the meanings set forth in the Electronic Signatures in Global and National Commerce Act of 2000 or any amendments thereto.
- C. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

Article 35 - Intermediary

Aon Benfield Inc., or one of its affiliated corporations duly licensed as a reinsurance intermediary, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss adjustment expense, salvages and loss settlements) relating to this Contract 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.

In Witness Whereof, the Company by its duly authorized representative has executed this Contract as of the date specified below:

This _____ day of _____ in the year _____.

Federated National Insurance Company

/s/ Michael H. Braun

/s/ signed by all participating reinsurers

Schedule A

Excess Catastrophe Reinsurance Contract

Effective: July 1, 2016

Federated National Insurance Company
Sunrise, Florida

	First Excess	Second Excess	Third Excess	Fourth Excess	Fifth Excess
Reinsurer's Per Occurrence Limit	*****	*****	*****	*****	*****
Reinsurer's Term Limit	*****	*****	*****	*****	*****
Minimum Premium	*****	*****	*****	*****	*****
AAL	*****	*****	*****	*****	*****
Annual Deposit Premium	*****	*****	*****	*****	*****
Deposit Premium Installments	*****	*****	*****	*****	*****

The figures listed above for each excess layer shall apply to each Subscribing Reinsurer in the percentage share for that excess layer as expressed in its Interests and Liabilities Agreement attached hereto.

War Exclusion Clause

As regards interests which at time of loss or damage are on shore, no liability shall attach hereto in respect of any loss or damage which is occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law or confiscation by order of any government or public authority.

Nuclear Incident Exclusion Clause - Physical Damage - Reinsurance (U.S.A.)

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.

12/12/57
N.M.A. 1119
BRMA 35B

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Pools, Associations and Syndicates Exclusion Clause (Catastrophe)

It is hereby understood and agreed that:

A. This Contract excludes loss or liability arising from:

1. Business derived directly or indirectly from any pool, association, or syndicate which maintains its own reinsurance facilities. This subparagraph 1 shall not apply with respect to:
 - a. Residual market mechanisms created by statute. This Contract shall not extend, however, to afford coverage for liability arising from the inability of any other participant or member in the residual market mechanism to meet its obligations, nor shall this Contract extend to afford coverage for liability arising from any claim against the residual market mechanism brought by or on behalf of any insolvency fund (as defined in the Insolvency Fund Exclusion Clause incorporated in this Contract). For the purposes of this Clause, the California Earthquake Authority shall be deemed to be a "residual market mechanism."
 - b. Inter-agency or inter-government joint underwriting or risk purchasing associations (however styled) created by or permitted by statute or regulation.
2. Those perils insured by the Company that the Company knows, at the time the risk is bound, to be insured by or in excess of amounts insured or reinsured by any pool, association or syndicate formed for the purpose of insuring oil, gas, or petro-chemical plants; oil or gas drilling rigs; and/or aviation risks. This subparagraph 2 shall not apply:
 - a. If the total insured value over all interests of the risk is less than \$250,000,000.
 - b. To interests traditionally underwritten as Inland Marine or Stock or Contents written on a blanket basis.
 - c. To Contingent Business Interruption liability, except when it is known to the Company, at the time the risk is bound, that the key location is insured by or through any pool, association or syndicate formed for the purpose of insuring oil, gas, or petro-chemical plants; oil or gas drilling rigs; and/or aviation risks; unless the total insured value over all interests of the risk is less than \$250,000,000.

B. With respect to loss or liability arising from the Company's participation or membership in any residual market mechanism created by statute, the Company may include in its ultimate net loss only amounts for which the Company is assessed as a direct consequence of a covered loss occurrence, subject to the following provisions:

1. Recovery is limited to perils otherwise protected hereunder.
2. In the event the terms of the Company's participation or membership in any such residual market mechanism permit the Company to recoup any such direct

assessment attributed to a loss occurrence by way of a specific policy premium surcharge or similar levy on policyholders, the amount received by the Company as a result of such premium surcharge or levy shall reduce the Company's ultimate net loss for such loss occurrence.

3. The result of any rate increase filing permitted by the terms of the Company's participation or membership in any such residual market mechanism following any assessment shall have no effect on the Company's ultimate net loss for any covered loss occurrence.
4. The result of any premium tax credit filing permitted by the terms of the Company's participation or membership in any such residual market mechanism following any assessment shall reduce the Company's ultimate net loss for any covered loss occurrence.
5. The Company may not include in its ultimate net loss any amount resulting from an assessment that, pursuant to the terms of the Company's participation or membership in the residual market mechanism, the Company is required to pay only after such assessment is collected from the policyholder.
6. The ultimate net loss hereunder shall not include any monies expended to purchase or retire bonds as a consequence of being a member of a residual market mechanism nor any fines or penalties imposed on the Company for late payment.
7. If, however, a residual market mechanism only provides for assessment based on an aggregate of losses in any one contract or plan year of said mechanism, then the amount of that assessment to be included in the ultimate net loss for any one loss occurrence shall be determined by multiplying the Company's share of the aggregate assessment by a factor derived by dividing the Company's ultimate net loss (net of the assessment) with respect to the loss occurrence by the total of all of its ultimate net losses (net of assessments) from all loss occurrences included by the mechanism in determining the assessment.

8/1/2012

Terrorism Exclusion (Property Treaty Reinsurance)

Notwithstanding any provision to the contrary within this Contract or any amendment thereto, it is agreed that this Contract 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:

1. Involves violence against one or more persons, or
2. Involves damage to property; or
3. Endangers life other than the person committing the action; or
4. Creates a risk to health or safety of the public or a section of the public; or
5. Is designed to interfere with or disrupt an electronic system.

This Contract 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.

Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract will pay actual loss or damage (but not related cost and expense) caused by any act of terrorism provided such act is not directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with radiological, biological, chemical, or nuclear pollution or contamination.

The Interests and Liabilities Agreements, constituting 67 pages in total, have been omitted in accordance with Rule 24b-2 under the Exchange Act. These pages have been filed separately with the Securities and Exchange Commission.

EXHIBIT 31.3

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Michael H. Braun, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-Q/A to the Quarterly Report on Form 10-Q of Federated National Holding Company; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. [Omitted]
4. [Omitted]
5. [Omitted]

Date: May 26, 2017

/s/ Michael H. Braun

Michael H. Braun

Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.4

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Ronald Jordan, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-Q/A to the Quarterly Report on Form 10-Q of Federated National Holding Company; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. [Omitted]
4. [Omitted]
5. [Omitted]

Date: May 26, 2017

/s/ Ronald Jordan
Ronald Jordan
Chief Financial Officer
(Principal Financial Officer)