EXHIBIT D

CONDITIONS FOR ACCEPTANCE OF LETTERS OF CREDIT IN LIEU OF DEPOSIT PREMIUMS

IAT Insurance Group
Occidental Fire & Casualty Company of North Carolina,
Wilshire Insurance Company, and/or
Harco National Insurance Company

When the Company accepts a letter of credit (“LOC”) to secure the payment of premiums on self-reporting policies in lieu of a deposit or other collateral, the letter of credit must contain the following elements and meet the following conditions:

- The LOC must be issued by a federally regulated and insured bank.
- The LOC must state the amount of the LOC, which must be at least equal to the non-working deposit.
- The LOC must state Occidental Fire & Casualty Company of North Carolina, Wilshire Insurance Company or Harco National Insurance Company, 702 Oberlin Road, Raleigh, NC, 27605 as the beneficiary.
- The LOC must not expire earlier than the expiration date of the policy plus 90 days.
- The LOC must be irrevocable.
- The LOC must be automatically renewable, unless written notice is given to the beneficiary at least 60 days prior to the expiration date of the LOC, this the LOC will not be renewed.
- The LOC should state that “It is subject to the Uniform Customs and Practices for Documentary Credits (2007 revision); International Chamber of Commerce Publication No. “600”.
- The LOC should be immediately available for drawing, and should state that partial drawings are permitted.
- The LOC should contain no conditions for drawing by the beneficiary other than the following: “The insured has not remitted a payment or payments on a policy, issued by the beneficiary, by the due date indicated on an invoice or invoices, issued by the beneficiary or its agent” (if the LOC states no conditions for drawing, it is also acceptable).
- The LOC should be delivered to:

  Treasurer
  Occidental Fire & Casualty Company of North Carolina,
  Wilshire Insurance Company, or Harco National Insurance Company
  702 Oberlin Road
  Raleigh, NC 27605

- All LOC’s must be received by the Company no later than 30 days after the effective date of the policy.
- If an LOC is not received in a timely manner, or if it does not meet the requirements outlined above, the LOC will be immediately returned to the managing general agent (“MGA”) and the non-working deposit will be invoiced and due immediately.
- In the event that a policyholder becomes delinquent in payments under a policy secured by an LOC, the MGA must immediately submit a statement to the Company, signed by an officer of the MGA, stating that the MGA has not received payment from the policyholder by the invoice due date. Along with the statement from the MGA, the MGA must also provide a copy of the notification given to the policyholder, stating that the policyholder’s payment is past due and the Company intends to exercise rights under the LOC.
- If a policy cancels, and the MGA confirms that all amounts due under the policy are paid in full, the Company will release the LOC prior to its expiration date.
EXAMPLE LETTER OF CREDIT FORM

(Name of Bank)
(Address)

Date __________________________

Clean, Irrevocable, Unconditional Letter of Credit No.: __________________________

To Beneficiary: Occidental Fire and Casualty Company of North Carolina,
               Wilshire Insurance Company, or
               Harco National Insurance Company

Re: (Insured) __________________________

Dear Sir or Madam:

We have established this clean, irrevocable, and unconditional Letter of Credit in your favor for
drawing up to US $ ___________ effective immediately and expiring at your office (bank address)
with our close of business on ______________. This letter of credit cannot be modified or revoked
without your consent.

We hereby undertake to promptly honor your sight draft(s) drawn on us, indicating our Credit No.
______________, for all or any part of this credit upon presentation of your draft drawn on us at our
offices prior to the expiration date hereof.

The term “Beneficiary” as used herein includes any successor by operation of law of the named
Beneficiary including without limitation, any liquidator, rehabilitator, receiver or conservator.

Except as stated herein, this undertaking is not subject to any requirement or qualification. Our
obligation under this Letter of Credit is the individual obligation of the Bank, in no way contingent
upon reimbursement with respect thereto, or upon our ability to perfect any lien or security interest.

This Letter of Credit expires on ________________, but will automatically extend without
amendment for one year from the expiration date or any future expiration date, unless sixty days prior
to such expiration date, we notify you by Registered Mail that this Letter of Credit will not be renewed.

This Letter of Credit is subject to the 2007 Revision of the Uniform Customs and Practice for
Documentary Credits of the International Chamber of Commerce, ICC Publication No. 600.

________________________
Signature

________________________
Title
Checklist for Analyzing Letter of Credit

For the LOC to be acceptable, items 1 through 9 must be answered ‘Yes’.

1. _____ Authorized Bank
   Is bank federally regulated and insured (usually can be confirmed by review of bank web site)?

2. _____ Amount
   Is the amount clearly stated on the LOC, and of sufficient amount to cover the non-working deposit?

3. _____ Beneficiary
   Is Occidental Fire and Casualty Company of North Carolina, Wilshire Insurance Company, and/or Harco National Insurance Company clearly identified as the beneficiary?

4. _____ Expiration Date
   Is the expiration date not earlier than the policy expiration date plus 90 days?

5. _____ Irrevocable
   Does the LOC state that it cannot be revoked or modified without the consent of the Beneficiary?

6. _____ Automatically Renewable (“Evergreen”)
   Does the LOC state that it is automatically renewable unless written notice is given at least 60 days prior to expiration?

7. _____ Uniformity
   Does LOC state that it is subject to the “Uniform Customs and Practices for Documentary Credits (2007 revision); International Chamber of Commerce Publication No. 600”?

8. _____ Partial Drawings
   Does the LOC permit partial drawings?

9. _____ Execution
   Is the LOC signed by an officer of the issuing bank?

For the LOC to be acceptable, items 10 and 11 must be answered ‘No’.

10. _____ Availability
    Is there anything in the LOC, other than the condition for drawing (see #11) that restricts the beneficiary’s ability to draw the LOC?

11. _____ Condition for Drawing
    Are there any conditions for the beneficiary to draw the LOC other than “The insured has not remitted a payment or payments on a policy, issued by the beneficiary, by the due date indicated on an invoices, issued by the beneficiary or its agent”?