

BANK LETTERHEAD  
BANK ADDRESS

IRREVOCABLE STANDBY LETTER OF CREDIT NO.  
(Sample – **EXACT** wording required)

Montana Department of Labor & Industry  
Employment Relations Division  
Workers' Compensation Regulation Bureau

RE: Insurer Name  
Deposit as Security for Plan NumberTwo Insurer

Dear Sir:

We hereby issue in your favor this Irrevocable Standby Letter of Credit (hereinafter called the Letter of Credit) in an amount up to but not exceeding \$\_\_\_\_\_ at the request of our customer, \_\_\_\_\_, effective immediately and expiring at this bank on \_\_\_\_\_. The purpose of this Letter of Credit is to create a primary obligation on the part of the bank to the Montana Department of Labor & Industry, Employment Relations Division (hereinafter called the Department) relating to the above captioned matter. This instrument is not a guaranty and is independent of any subsequent contract or rights there under between \_\_\_\_\_ and the Department.

This Letter of Credit shall be deemed automatically extended without amendment for one year from the expiry date hereof, or any future expiry date, unless sixty (60) days prior to any expiry date we shall notify you by Registered Mail or Express Courier that we elect not to consider this Letter of Credit renewed for any such additional period. Notice of non-renewal will be sent to the Department.

Funds are available at any time prior to the expiry date, and we agree to honor this Letter of Credit upon receipt of a properly dated and signed letter demanding payment similar to the attached sample. No other documentation or substantiation will be requested or required. Our check for the amount requested will be transmitted within ten (10) days of the receipt of your letter so long as it is presented at our bank on or before the close of business on the expiry date.

This Letter of Credit is drafted and issued in accordance with the terms and provisions of the Uniform Commercial Code as enacted in the State of Montana (Sections 30-5-101, MCA, et seq.).

This Letter of Credit is subject to and governed by the uniform customs and practice for documentary credits International Chamber of Commerce Publication no. 500 and the laws of the state of Montana. In the event of any conflict the laws of the state of Montana will control with venue in Lewis and Clark County, Montana.

Sincerely,  
BANK NAME  
By:

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Authorized Bank Rep.

This letter must be submitted to:

Montana Department of Labor & Industry  
Employment Relations Division  
Insurance Compliance Officer  
P.O. Box 8011  
Helena, MT 59604-8011