

ADMINISTRATIVE SERVICES AGREEMENT

By and Among

GLENCAR UNDERWRITING MANAGERS, INC.

and

GLENCAR INSURANCE COMPANY

Dated as of [_____, 2018.]

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ADMINISTRATIVE SERVICES AGREEMENT

This ADMINISTRATIVE SERVICES AGREEMENT (this “**Agreement**”), dated as of the Effective Date (as defined below), is by and among GLENCAR UNDERWRITING MANAGERS, INC., an Illinois corporation (“**GUM**”), and GLENCAR INSURANCE COMPANY, a Wisconsin insurance company (“**GIC**”)

RECITALS.

WHEREAS, GIC and GUM are each indirect, wholly owned subsidiaries of Hannover Rueck, SE (“Hannover Re”);

WHEREAS, Hannover Finance Inc., a wholly owned subsidiary of Hannover Re, (“HFI”) acquired GIC as of the Effective Date;

WHEREAS, prior to its acquisition by Hannover Re, GIC was a shell company that had been in runoff since the late 1980’s and, accordingly, has limited operational infrastructure as of the Effective Date;

WHEREAS, GUM, as an ongoing member of the Hannover Re Group, has substantial infrastructure and is capable of providing, and wishes to provide, the Services to GIC as set forth herein; and

WHEREAS, for sake of efficiency and to avoid redundancy within the Hannover Re Group, GIC wishes to obtain the Services from GUM as set forth herein

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

The following terms, when used in this Agreement, have the meanings set forth in this Section 1:

“**Affiliate**” means, with respect to any Person, at the time in question, any other Person controlling, controlled by or under common control with such Person, where “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise.

“**Applicable Laws**” means any domestic or foreign federal, state or local statute, law, ordinance or code, or any written rules, regulations or administrative interpretations issued by

any Governmental Authority pursuant to any of the foregoing, and any order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the parties hereto.

“**Business Day**” means any day other than a Saturday, a Sunday, or a day on which banking institutions in the State of Wisconsin are permitted or obligated by Applicable Law to be closed.

“**Effective Date**” shall mean the date on which HFI closes its acquisition of GIC, conditional upon the approval of or failure to disapprove this Agreement by all applicable Governmental Authorities.

“**Governmental Authority**” means any court, administrative or regulatory agency or commission, or other federal, state or local governmental authority or instrumentality having jurisdiction over any party hereto, including, with respect to GIC, the Wisconsin Office of the Commissioner of Insurance.

“**Loss**” or “**Losses**” shall have the meaning ascribed to it in Section 15.

“**Person**” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization, governmental, judicial or regulatory body, business unit, division or other entity.

“**Records**” shall have the meaning ascribed to it in Section 8.

“**Services**” shall have the meaning ascribed to it in Section 2.

2. Services.

(a) Services Received by GIC.

(i) As of the Effective Date and until the termination of this Agreement pursuant to Section 7 below, GUM will provide to GIC the services set forth on Exhibit A attached hereto (collectively, the “Service(s)”), in each case subject to the terms and conditions of this Agreement, including any terms and conditions specific to each Service set forth on Exhibit A.

(ii) GIC may at any time upon notice to GUM request that additional services be added to the Services. Within thirty (30) days of the receipt of such request, the parties shall promptly and in good faith agree on amendments to Exhibit A reflecting such additional Services.

(b) Services Include Subtasks. In each case, the Services shall consist of (i) the services, functions and responsibilities as set forth in this Agreement (including Exhibit A), and (ii) any subtasks that are not specifically described in this Agreement but which are an inherent, necessary or customary part of the Services, which subtasks shall be deemed to be included within the scope of the Services to be delivered for the amounts

expressly specified in this Agreement, as if such subtasks were specifically described in this Agreement.

3. Control of Services and Subcontracting of Services.

(a) Control of Services. Notwithstanding anything contained herein to the contrary, the Services received by GIC are managed by GIC's Board of Directors, and, to the extent delegated by such Board of Directors, by GIC's appropriately designated officers. Nothing contained in this Agreement is intended or may be construed to result in the transfer or delegation of substantial control or substantially all of the basic functions of company management of GIC to GUM or any other Person. For the avoidance of doubt, the parties agree and confirm that GIC reserves the right, at any time, to take direct and exclusive control of any Service provided hereunder by GUM.

(b) Subcontracting of Services. GUM may subcontract the performance of any Services that GUM is to provide hereunder without obtaining the consent of GIC, so long as GUM notifies GIC of such subcontract at least seven (7) Business Days prior to the effective date thereof. Any subcontractor used by GUM as permitted under this Section 3(b) must agree in writing to be bound by the terms of this Agreement, as applicable. GUM shall supervise the performance of the subcontracted Services by the subcontractor for compliance with Applicable Law and the terms of this Agreement. GUM's use of any subcontractor shall not be deemed an assignment nor shall it relieve GUM of any responsibility or liability for the subcontracted function under the terms of this Agreement. The provisions of this Section 3(b) are not intended to and do not apply to the employment by a party of temporary personnel from time to time in the ordinary course of business.

4. Quality of Services; Internal Controls; Duty of Good Faith and Cooperation.

(a) GUM agrees to perform and, where applicable, to cause the performance of, all of the Services provided by GUM (i) with the skill, diligence and expertise commonly expected from experienced and qualified personnel performing such duties, (ii) in conformance with industry standards, Applicable Laws and the terms of this Agreement, and (iii) in accordance with any time frames or standards set forth in Exhibits A, as applicable. Notwithstanding the foregoing, the failure of GUM to provide applicable Services in accordance with the standards set forth above shall not be deemed to be a breach of this Agreement, nor shall GIC be entitled to indemnification under the provisions of Section 15, to the extent such failure results from the failure of GIC to cooperate with GUM or timely provide GUM information which (i) is not in the possession or control of GUM, (ii) GIC has made a reasonable effort to obtain and (iii) is reasonably required in order for GUM to provide the Services.

(b) GUM shall maintain with respect to the Services a system of internal accounting controls sufficient to provide reasonable assurance that: (i) the Services are executed in accordance with GIC's general or specific authorizations; (ii) the Services are recorded as necessary to maintain asset accountability and to permit preparation of GIC's financial statements in conformity with the statutory accounting principles and

practices prescribed or permitted by the insurance regulator in GIC's state of domicile (including the NAIC's Accounting Practices and Procedures Manual); (iii) access to any of GIC's assets in GUM's custody is permitted only in accordance with GIC's general or specific authorization; and (iv) the recorded accountability for any of GIC's assets in GUM's custody is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(c) GIC will cooperate and act in good faith to assist GUM in carrying out its obligations under this Agreement in a timely and competent manner.

(d) GIC will monitor the Services annually for quality assurance.

5. Service Coordinators; Service Management Committee.

(a) Attached as Exhibit B is a list of the principal contacts of GUM and GIC with respect to the Services (the "**Service Coordinators**"). Unless GUM and GIC otherwise agree in writing, all communications relating to the relevant Service shall be directed to the Service Coordinators with respect to such Service. The Service Coordinators will report to the Service Management Committee (as defined below) any material problems in performance of Services, any questions that arise concerning the scope or content of Services being performed under this Agreement, and any other matter that appears likely to result in a dispute between the parties.

(b) Exhibit B identifies the members of a management committee (the "**Service Management Committee**") that will consist of two (2) senior managers appointed by GUM and two (2) senior managers appointed by GIC. Each Service Management Committee member will represent a key business function that is supported by or provides the Services. Each party will bear its own costs of participating on the Service Management Committee. The Service Management Committee will meet as necessary, but at least once in each calendar quarter during the Term in person or by conference telephone call.

(c) All disputes will be referred by the Service Coordinators to the Service Management Committee for consideration for at least sixty (60) days before any arbitration may be initiated under Section 17 of this Agreement. Notwithstanding the foregoing sentence of this Section 5(c), in the event of a breach or threatened breach of Sections 7(h), 9, 10 or 11 by either party, the affected party may immediately commence litigation and otherwise exercise all rights and remedies available to it hereunder.

(d) Either party may at any time remove the Service Coordinators or any Service Management Committee member appointed by such party by providing written notice of such removal to the other party. Should any Service Coordinator or Service Management Committee member appointed by a party resign or be removed, the party that appointed such Service Coordinator or Service Management Committee member shall promptly appoint a replacement and provide written notice thereof to the other party; provided that such replacement must either (i) have a comparable level of seniority

and expertise as the person that he or she is replacing or (ii) must otherwise be acceptable to the other party, in its sole discretion.

6. Billing and Payment for the Services.

(a) In consideration for the Services, subject to Section 6(d) below, GIC shall pay to the GUM one hundred five percent (105%) of the actual, direct costs (fully loaded for the benefits and taxes attributable to any additional headcount) reasonably incurred by GUM in providing the Services. Also, GIC will be responsible for and pay any applicable sales and/or use taxes in respect of any goods and services provided to GIC by GUM in connection with the Services.

(b) GUM may not incur any third-party costs or expenses on behalf of GIC without the prior written approval of GIC.

(c) Within ten (10) Business Days after the end of each calendar month during the term of this Agreement, GUM will send to GIC a summary report and accounting of all Service related transactions and other matters, that occurred during the month just ended, which report shall be in a form mutually acceptable to the parties hereto. Such report shall set forth the amount of any payments and reimbursements due between the parties pursuant to this Agreement. GUM shall provide to GIC such documentation supporting such reports as may be reasonably requested by GIC. GIC shall pay the aggregate amount shown as due therein no later than fifteen (15) days after receipt of the report by wire transfer of immediately available funds. Any payment that is not so paid shall bear interest from such due date, at the one year London Interbank Offered Rate plus fifty (50) basis points, as reported in the Wall Street Journal, Eastern Edition, on the first business day of the month in which the due date occurs, until but excluding the date on which GUM receives such amounts, provided that interest shall not accrue on the portion of any such payment that is a disputed payment until such dispute is settled by the parties hereto.

(d) To the extent GIC is entitled to receive any Service from GUM pursuant to any other applicable agreement between GIC and GUM, including the Program Administrator's Agreement between GIC and GUM dated ___ (the "PAA"), and GIC has paid GUM the applicable consideration under such agreement, GIC shall not be required to pay GUM any additional consideration under this Agreement. GUM acknowledges and agrees that (i) the compensation payable to it under the PAA was calculated based on projections that included estimates for the Services that GUM will perform under this Agreement and (ii) notwithstanding anything in the contrary in this Agreement, GUM shall be entitled to additional compensation under Section 6(a) of this Agreement for such Services only to the extent that (a) the actual, direct costs that GUM reasonably incurs to perform such Services exceeds the total estimated amount for such Services included in such projections; and (b) GUM shall have obtained the prior written consent of GIC to such additional compensation, which consent GIC shall not unreasonably withhold, condition or delay.

(e) The advancement of funds by GIC to GUM is prohibited except to pay for services provided to GIC pursuant to this Agreement.

7. Term and Termination.

(a) With respect to each of the Services, the term of this Agreement as related thereto will be for a period commencing as of the Effective Date and continuing until this Agreement is terminated pursuant to Section 7(c) or 7(d), unless such Service is terminated sooner pursuant to Section 7(b).

(b) This Agreement or any one of the Services may be terminated, in whole or in part, by GIC in its sole discretion, with or without cause, at any time during the term of this Agreement:

(i) upon the termination notice period specified for the Service on Exhibit A, as applicable; or

(ii) if a termination notice period for the Service is not specified on Exhibit A, or in the event that the Agreement is being terminated, then upon at least ninety (90) days prior written notice to GUM, *provided, however*, that the termination date must be on March 31st, June 30, September 30, or December 31st, as applicable.

(c) This Agreement shall terminate at any time upon the mutual written consent of the parties hereto, which writing shall state the effective date of termination.

(d) This Agreement or any one of the Services may be terminated by GIC, at its option, on the occurrence of any of the following events:

(i) there is a change of control of GUM;

(ii) GUM becomes subject to dissolution, liquidation, conservation, rehabilitation, bankruptcy, statutory reorganization, receivership, compulsory composition, or similar proceedings in any jurisdiction, or if creditors of GUM take over its management, or if GUM otherwise enters into any arrangement with creditors, or makes an assignment for the benefit of creditors, or if any significant part of the GUM's undertakings or property is impounded or confiscated by action of any Governmental Authority; or

(iii) there is a material breach by GUM of any term or condition of this Agreement that is not cured by GUM within sixty (60) calendar days of receipt of written notice from the GIC of such breach or act.

(e) This Agreement or any one of the Services may be terminated by GUM, at its option, on the occurrence of any of the following events:

(i) there is a change of control of GIC; or

(ii) there is a material breach by GIC of any term or condition of this Agreement that is not cured by GIC within sixty (60) calendar days of receipt of written notice from the GUM of such breach or act.

(f) The provisions of Sections 1, 5(c), 6 (only with respect to the payment for Services provided pre-termination), 7(g), 8, 9, 11, 15, 17, and 18 shall survive any termination of this Agreement.

(g) Following any termination of this Agreement, GUM shall cooperate fully with GIC in effecting the prompt transfer of the applicable Services and all books and records maintained by GUM pursuant to Section 8 (or, where appropriate, copies thereof) to GIC or GIC's designee, at GIC's sole cost (unless the Agreement is terminated by GIC pursuant to Section 7(d), in which case such transfer shall be at GUM's sole cost).

(h) Except as otherwise provided herein, GUM may not withhold, terminate or suspend the provision of Services during the term of this Agreement. GUM acknowledges that GUM's suspension or termination of the provision of Services to GIC would cause GIC immediate and irreparable harm for which the payment of money could not compensate GIC. Therefore, upon any withholding, suspending or terminating of the provision of Services by GUM, in addition to any other remedies available at law or in equity, GIC shall be entitled to temporary and permanent injunctive relief without proof of actual damages or the payment of bond or other security.

(i) For the avoidance of doubt, GUM has no automatic right to terminate the agreement if GIC is placed in receivership pursuant to the receivership laws of any state. Further, if GIC is placed in delinquency proceedings or seized by an insurance commissioner under any state insolvency laws:

(i) all of the rights of GIC under this agreement extend to the receiver or such commissioner,

(ii) all Records will immediately be made available to the receiver or such commissioner, and shall be turned over to the receiver or such commissioner immediately upon the receiver's or such commissioner's request, and

(iii) GUM will continue to maintain any systems, programs, or other infrastructure relating to this Agreement notwithstanding any delinquency proceeding or seizure by such commissioner, and will make such systems, programs, or other infrastructure available to the receiver, for so long as GUM continues to receive timely payment for the services provided to GIC under this agreement.

8. Books and Records.

(a) GUM shall maintain books and records of all transactions pertaining to, and all data used by GUM in the performance of, the Services (the "Records"). The Records shall be maintained (i) in a format no less accessible than the format in which GUM maintains its own, similar books and records, (ii) in accordance with any and all

Applicable Laws, and (iii) for a minimum of ten (10) years following the creation thereof.

(b) GUM shall make its Records available to GIC and GIC's auditors or other representatives, and to Governmental Authorities, during normal business hours and at any other time on reasonable prior notice, for review, inspection, examination and (at GIC's cost) reproduction. In connection with such review of Records, GIC shall have the right to discuss matters relating to the Records with the employees of GUM who are knowledgeable about such matters, during regular business hours and without undue disruption of the normal operations of GUM. GIC's rights under this Section 8(b) shall continue for so long as Records are required to be maintained by GUM under Section 8(a).

(c) GUM will not destroy or allow to be destroyed any GIC records without written approval from GIC.

(d) For the avoidance of doubt, all Records are and remain the property of GIC, and are subject to GIC's control.

9. Safeguarding GIC Data.

(a) *Safeguarding Procedures.* GUM shall establish and maintain environmental, safety and facility procedures, data security procedures and other administrative, physical and technical safeguards appropriate against the destruction, loss, unauthorized access or use or alteration of GIC's data and information in the possession of GUM which are no less rigorous than those maintained by GUM for its own data and information of a similar nature and which conform with industry standards and Applicable Law. GIC shall have the right, at its own expense, to establish backup security for, and to keep backup copies of, GIC's data and information in GUM's possession if GIC so chooses (but not GUM's data and information, except to the extent that GUM's data or information is commingled with, or is required to obtain access to, GIC's data and information). GUM shall remove all GIC's data and information from any media taken out of service (other than for archival storage) and shall destroy or securely erase such media. No media on which GIC's data or information is stored may be used or re-used to store data of any third party or to deliver data to a third party (other than delivery to a third party for archival storage purposes, e.g. Iron Mountain). If GUM discovers or is notified of a breach or potential breach of security relating to GIC's data or information, GUM shall (i) expeditiously notify GIC of such breach or potential breach, (ii) investigate such breach or potential breach and perform a root cause analysis thereon, (iii) use commercially reasonable efforts to remediate the effects of such breach or potential breach of security, and (iv) provide GIC with such assurances as GIC reasonably shall request that such breach or potential breach will not recur.

(b) *Reconstruction Procedures.* GUM shall be responsible for developing and maintaining procedures for the reconstruction of GIC's data or information destroyed or corrupted by GUM which are no less rigorous than those maintained by GUM for its own

data and information of a similar nature and which conform with industry standards and Applicable Law.

(c) *Corrections.* GUM shall restore all destroyed and/or corrupted data or information of GIC using data restoration techniques that are no less rigorous than those used by GUM for its data and information of a similar nature and which conform with industry standards and Applicable Law. In addition, if GUM has caused the destruction, loss or alteration of any of GIC's data or information through a breach of this Agreement, GUM shall be responsible for the reasonable cost of restoring such data and information; otherwise, GIC shall be responsible and shall reimburse GUM for such cost.

(d) *Anti-Virus Efforts.* GUM: (a) shall install and keep fully functional on all computer equipment connected directly or indirectly to any computer equipment of, or to be provided to, GIC anti-virus software that conforms with then-current industry standards and Applicable Law and (b) shall use reasonable efforts not to unintentionally, and shall not knowingly, introduce any virus into any computer equipment, software or data storage devices used by, or to be provided to, GIC.

10. Disaster Recovery; Backup.

For all computer programs, data, computer equipment, communications equipment and other similar items used by GUM to provide the Services, GUM shall provide disaster recovery services and backup and archival services identical to the disaster recovery services and backup and archival services, respectively, that GUM uses for its own computer programs, data, computer equipment, communications equipment and other similar items, and which conform with industry standards and Applicable Law.

11. Confidentiality.

(a) For purposes of this Agreement, "**Confidential Information**" shall mean customer lists, customer information, rate information, product information, information, records, data and other documents furnished by one party (the "**Disclosing Party**") to another party (the "**Receiving Party**"), which is not generally disclosed to unaffiliated third parties or which is conspicuously marked by the Disclosing Party as "Confidential"). However, Confidential Information shall not include any information that the Receiving Party can demonstrate: (i) was publicly known at the time of disclosure to it, or becomes publicly known through no act of the Receiving Party in violation of this Section 11; (ii) was rightfully received from a third party without a duty of confidentiality; (iii) was developed by it independently; or (iv) was in the Receiving Party's possession before disclosure by the Disclosing Party under this Agreement and was not acquired, directly or indirectly, from the Disclosing Party subject to another confidentiality agreement of which the Receiving Party is aware.

(b) During the term of this Agreement and thereafter, each party shall maintain in confidence and not disclose any other party's Confidential Information using the same degree of care, but no less than reasonable care, as it uses to protect its own confidential information of like nature. Unless otherwise specifically authorized in any

other written agreement between the parties, the Receiving Party may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the "Permitted Purpose"). The Receiving Party may disclose Confidential Information only to its Affiliates (but only officers and directors of such Affiliates), employees, contractors or other representatives who have a need to know such information for the Permitted Purpose and who have been instructed to maintain all such Confidential Information in confidence according to the terms of this Section 11. The Receiving Party shall be liable for any breach of these confidentiality provisions by such persons. Confidential Information may not be reproduced, except as required for the Permitted Purpose.

(c) In addition, if the Receiving Party is requested or required to disclose Confidential Information by judicial or administrative process (including in connection with obtaining any necessary approvals of this Agreement by Governmental Authorities) or by other requirements of Applicable Law or stock exchange rules, the Receiving Party will, prior to any disclosure (unless disclosure is legally required before such notification may be made) and within five (5) Business Days, notify the Disclosing Party in writing and provide the Disclosing Party with copies of any such written request or demand so that the Disclosing Party may seek a protective order or other appropriate remedy or waive in writing the provisions of this Section 11 to the extent necessary (provided that one or the other be done). The parties shall cooperate with each other (at the Disclosing Party's expense) to obtain a protective order or other reliable assurance that confidential treatment will be afforded to designated portions of the Confidential Information; provided, however, such cooperation shall not require the Receiving Party to undertake litigation or other legal proceedings on behalf of the Disclosing Party. Provided that the appropriate notice has been given by the Disclosing Party, if no protective order or other remedy is obtained and the Disclosing Party has not waived compliance with this Section 11, Receiving Party may disclose Confidential Information which it is required to disclose under Applicable Law or stock exchange rule, without liability to the Disclosing Party, except that disclosure of Confidential Information shall be limited to the information actually required to be disclosed pursuant to Applicable Law or stock exchange rule.

(d) Upon demand by the Disclosing Party at any time, or upon expiration or termination of this Agreement, the Receiving Party agrees promptly to return or destroy, at the Disclosing Party's option, all materials that disclose or embody Confidential Information; *provided, however*, unless required under any Applicable Laws, the Receiving Party shall not be required to destroy any Confidential Information within the Receiving Party's archived storage copies. The Receiving Party agrees not to remove any proprietary rights legend from, and upon the Disclosing Party's reasonable request shall add such legend to, materials disclosing or embodying Confidential Information. If such Confidential Information is destroyed, the Receiving Party must take reasonable measures to protect against unauthorized access to or use of such information in connection with its disposal, and an authorized officer of the Receiving Party shall certify to such destruction in writing.

(e) The Receiving Party shall maintain adequate administrative, technical and physical safeguards to ensure the security and confidentiality of Confidential Information

it receives, to protect against any anticipated threats or hazards to the security or integrity of such information, and to protect against any unauthorized access to or use of such information. In the event that Confidential Information is, or is reasonably believed by a party to have been acquired by or made available to an unauthorized person by reason of the actions or omissions of the Receiving Party, the Receiving Party will notify the Disclosing Party immediately following discovery of such unauthorized acquisition.

(f) GUM shall provide GIC with written notice immediately following discovery or notice of any breach or unauthorized acquisition of computerized data that compromises, or is reasonably believed to compromise, the security, confidentiality, or integrity of nonpublic personal information of any current or former GIC policyholder, business partner, or customer. The initial written notification provided pursuant to this paragraph shall include a brief summary of the available facts, the status of GUM's investigation, and, if known, the potential number of policyholders or other Persons affected. GUM will promptly respond to any of GIC's follow-up inquiries regarding such notice.

(g) If any Applicable Law, now or hereafter in effect, imposes a higher standard of security or confidentiality with respect to the Confidential Information, such standard shall prevail over the provisions of this Agreement.

12. Personnel and Performance.

(a) GUM shall assign to perform the Services employees and subcontractors permitted under Section 3(b) who have appropriate skills and experience. GUM shall use commercially reasonable efforts to maintain continuity in the employees and permitted subcontractors assigned to perform GUM's obligations under this Agreement.

(b) GIC may request for demonstrable good cause that any of GUM's employees or permitted subcontractors not be assigned to perform all or any portion of the obligations of GUM under this Agreement, or that GUM's employees or permitted subcontractors then assigned no longer be assigned to perform GUM's obligations under this Agreement; and GUM will comply with such request if it is reasonably practicable to do so.

13. Status of Parties.

This Agreement is not intended to create, nor will it be deemed or construed to create, any relationship between GUM and GIC other than that of independent entities contracting with each other (*i.e.*, independent contractors) solely for the purpose of effecting the provisions of this Agreement. For the avoidance of doubt, all funds and invested assets of GIC are the exclusive property of GIC, held for the benefit of GIC, and are subject to GIC's control.

14. Representations and Warranties.

(a) Each party to this Agreement represents and warrants to the other party to this Agreement:

(i) that it is duly organized, validly existing and in good standing under the laws of its jurisdiction of domicile;

(ii) that it has the full power and authority to carry on its businesses as and where it is now being conducted;

(iii) that it has the authority to execute, deliver and perform its obligations under this Agreement;

(iv) that the execution, delivery and performance of this Agreement does not conflict with, result in a breach of or constitute a default under its organizational or governance documents, any Applicable Law or any contract or agreement to which it is a party; and

(v) that this Agreement constitutes a legal, valid and binding agreement of it, enforceable against it in accordance with the Agreement's terms, subject to applicable bankruptcy, reorganization, insolvency, or other similar laws affecting creditors' rights generally from time to time in effect, and to general principles of equity.

Each party's representations and warranties shall be true, accurate and complete at the time of execution of this Agreement and throughout the term of this Agreement.

(b) GUM represents and warrants to GIC:

(i) that it has all material licenses, authorizations and permits required by Applicable Law to perform its obligations under this Agreement, including the applicable Services, in all applicable jurisdictions; and

(ii) it presently provides, and will continue to provide, all employees, facilities, equipment and supplies reasonably necessary to perform its obligations, including the applicable Services, under this Agreement.

Each party's representations and warranties shall be true, accurate and complete at the time of execution of this Agreement and throughout the term of this Agreement.

15. Indemnification.

(a) As used in this Section 16 and this Agreement, "Loss" and/or "Losses" shall mean actions, claims, losses, liabilities, damages, costs, penalties, expenses (including reasonable attorneys' fees), interest and penalties, including legal fees and expenses incurred in connection with any enforcement of this indemnity.

(b) From and after the Effective Date, GUM agrees to indemnify, defend and hold harmless GIC and its respective directors, officers, employees, agents, representatives, successors and permitted assigns (collectively, the "GIC Indemnified Parties") from and against all Losses imposed upon or incurred by a GIC Indemnified Party arising from or related to

(i) any breach of or inaccuracy in the representations and warranties made by GUM in this Agreement;

(ii) any breach, non-fulfillment or default in the performance of any of the covenants and agreements of GUM contained in this Agreement;

(iii) any violation of Applicable Law, or willful or negligent act or omission, by GUM, its employees, subcontractors, agents or representatives in connection with the performance of the Services; or

(iv) any claim that the Services provided by GUM infringe upon the intellectual property, including copyrights, patents, trademarks and trade secrets, of any third party.

(c) From and after the Effective Date, GIC agrees to indemnify, defend and hold harmless GUM and its respective directors, officers, employees, agents, representatives, successors and permitted assigns (collectively, the “**GUM Indemnified Parties**”) from and against all Losses imposed upon or incurred by any GUM Indemnified Party arising from:

(i) any breach of or inaccuracy in the representations and warranties made by GIC in this Agreement; and

(ii) any breach, non-fulfillment or default in the performance of any of the covenants and agreements of GIC contained in this Agreement.

(d) Indemnification Procedure.

(i) The indemnitee must notify the indemnitor in writing as soon as reasonably practicable, but in no event later than thirty (30) calendar days, after the indemnitee becomes aware of circumstances which may lead to the indemnitee seeking indemnification hereunder. If such notice is not provided within the time frame contemplated by the previous sentence, the indemnitee shall still be entitled to indemnification by the indemnitor except to the extent that the indemnitor is actually prejudiced by the late receipt of notice.

(ii) The indemnitee must allow the indemnitor to make any investigations or defense the indemnitor feels is appropriate. The indemnitee must cooperate, at the indemnitor’s expense, with such investigations and defense, including, without limitation, by furnishing records, information and testimony and attending any conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. The indemnitee shall have the right to participate (but not control), at its own expense, with the indemnitor in the defense of the claim, demand, suit or other proceeding for which an indemnification claim is made.

(iii) No such claim, demand, suit or other proceeding may be settled or otherwise compromised without the consent of both the indemnitor and the indemnitee, which consent shall not be unreasonably withheld, delayed or conditioned, provided that

the indemnitee shall agree to any settlement, compromise or discharge of a third party claim which the indemnitor may recommend and which by its terms (x) obligates the indemnitor to pay the full amount of the liability in connection with such third party claim, (y) releases the indemnitee of any further liability associated therewith, and (z) does not impose any equitable remedy or penalty upon the indemnitee.

16. Insurance.

(a) ~~If GUM is not an Affiliate of GIC, GUM shall maintain errors and omissions liability coverages with limits in commercially prudent amounts, coverage in an amount of \$5,000,000 with a per occurrence deductible not to exceed \$100,000 to cover any loss arising as a result of any real or alleged negligence, errors or omissions on the part of GUM's employees, agents, or representatives in any aspect of the performance of the Services under this Agreement.~~

(b) ~~If GUM is not an Affiliate of GIC, GUM shall maintain fidelity bond coverage in a commercially prudent bond an amount of \$1,000,000 per occurrence to cover any loss due to the misdeeds of GUM's employees, agents or representatives in any aspect of the performance of the Administrative Services under this Agreement.~~

(c) GUM shall obtain the coverages specified in Sections 16(a) and 16(b) hereof from insurers having an A.M. Best Company rating of at least A-. In the event that the ratings of an insurer which has issued one or more of the coverages specified in Sections 16(a) or 16(b) are downgraded so that such insurer would no longer qualify to issue such coverage under the provisions of the preceding sentence, GUM shall promptly obtain replacement coverage from another insurer that so qualifies.

17. Arbitration.

(a) Subject to Section 5(c) of this Agreement, as a condition precedent to any cause of action, any and all disputes between GUM and GIC arising out of, relating to, or concerning this Agreement, whether sounding in contract or tort and whether arising during or after termination of this Agreement, shall be submitted to the decision of a board of arbitrations composed of two (2) arbitrators and an umpire (the "Board") meeting at a site in Milwaukee, Wisconsin. The arbitration shall be conducted under the Federal Arbitration Act and shall proceed as follows.

(b) A notice requesting arbitration, or any notice made in connection therewith, shall be in writing and shall be sent certified or registered mail, return receipt requested to the affected party. The notice requesting arbitration shall state in particulars all issues to be resolved in the view of the claimant, shall appoint the arbitrator selected by the claimant and shall set a tentative date for the hearing, which date shall be no sooner than ninety (90) days and no later than one hundred fifty (150) days from the date of the notice requesting arbitration is mailed. Within thirty (30) days of receipt of claimant's notice, the respondent shall notify claimant of any additional issues to be resolved in the arbitration and of the name of its appointed arbitrator.

(c) Unless otherwise mutually agreed, the members of the Board shall be impartial and disinterested and shall be active or retired officers of property-casualty insurance companies, reinsurance companies or Lloyds Underwriters. GUM, acting as one party for purposes of this Section 17, and GIC, acting as one party for purposes of this Section 17, as aforesaid shall each appoint an arbitrator and the two (2) arbitrators shall choose an umpire before instituting the hearing. If the respondent fails to appoint its arbitrator within thirty (30) days after having received claimant's written request for arbitration, the claimant is authorized to and shall appoint the second arbitrator. If the two arbitrators fail to agree upon the appointment of the umpire, within ten (10) days thereof, the two (2) arbitrators shall request ARIAS to appoint an umpire for the arbitrators with the qualifications set forth above in this article. If ARIAS fails to name an umpire, either party may apply to the court named below to appoint an umpire with the above required qualifications. The umpire shall promptly notify in writing all parties to the arbitration of this selection and of the scheduled date of the hearing. Upon resignation or death of any member of the Board, a replacement shall be appointed in the same fashion as the resigning or deceased member was appointed.

(d) The claimant and respondent shall each submit initial briefs to the Board outlining the issues in dispute and the basis, authority and reasons for their respective positions within thirty (30) days of the date of notice of appointment of the umpire. The claimant and the respondent may submit reply briefs to the Board within ten (10) days after filing of the initial brief(s). Initial and reply briefs may be amended by the submitting party at any time, but not later than ten (10) days prior to the date of commencement of the arbitration hearing. Reasonable responses shall be allowed at the arbitration hearing to new material contained in any amendments filed to the briefs but not previously responded to.

(e) The Board shall make a decision and award with regard to this Agreement the original intentions of the parties, to the extent reasonably ascertainable, and the custom and usage of the property and casualty insurance and reinsurance business, which decision and award shall be in writing and shall state the factual and legal basis for the decision and award. The decision and award shall be based upon a hearing in which evidence shall be allowed and in which the formal rules of evidence shall not strictly apply but in which cross-examination and rebuttal shall be allowed. At its own election or at the request of the Board, either party may submit a post-hearing brief for consideration of the Board within twenty (20) days of the close of the hearing. The Board shall make its decision and award within thirty (30) days following the close of the hearing of the submission of post-hearing briefs, whichever is later, unless the parties consent to an extension. Every decision by the Board shall be by majority of the members of the Board and each decision and award by the majority of the members of the Board shall be final and binding upon all parties to the proceeding. Either party may apply to the United States District Court for the Eastern District of Wisconsin for an order confirming any decision and the award; a judgment of the Court shall there upon be entered on any decision or award. Both parties consent to the jurisdiction of such Court to enforce this Section 17 and to confirm and enforce the performance of any award of the arbitrators. In any suit instituted against a party under this Section 17, the party shall abide by the final decision of such Court or of any Appellate Court in the event of an

appeal. If an order confirming any decision and the award is issued, the attorney's fee of the party so applying and court costs will be paid by the party against whom confirmation is sought. The Board may, in its discretion, award interest calculated from the date the Board determines that any amount due the prevailing party should have been paid to the prevailing party, and attorney fees and costs, but may not award punitive, exemplary or treble damages.

(f) Each party shall bear the expense of the one arbitrator it appointed and shall jointly and equally bear with the other party the fees and expense of the umpire and the costs of the hearing.

(g) Subject to customary and recognized legal rules of privilege, each party participating in the arbitration shall have the obligation to produce those documents and, as witnesses to the arbitration, those of its employees as any other participating party reasonably requests, providing always that the same witnesses and documents be obtained and relevant to the issues before the arbitration and provided that the production of such witnesses shall not be unduly burdensome or excessive. The parties may mutually agree as to pre-hearing discovery prior to the arbitration hearing. Discovery shall otherwise be conducted as the umpire shall determine in his/her sole discretion to promote fairness, full disclosure, and a prompt hearing, decision and award by the Board. The umpire shall be the final judge of the procedures of the Board, the conduct of the arbitration, these rules of evidence, the rules of privilege and production and the excessiveness and relevancy of any witness and documents upon the petition of any participating party. To the extent permitted by law, the Board and the umpire shall have the authority to issue subpoenas and other orders to enforce their decisions.

(h) The Board shall also have the authority to issue interim decision or awards in the interest of fairness, full disclosure and a prompt and orderly decision and award by the Board.

18. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement, including the exhibits hereto, contains the entire agreement between the parties and supersedes all other prior agreements, understandings, representations and warranties, oral or written, between the parties hereto in respect of the subject matter hereof.

(b) Notices. Any notice or other communication required or permitted under this Agreement by any party to the other shall be in writing, and shall be deemed effective upon (i) personal delivery, if delivered by hand; (ii) three days after the date of deposit in the mails, if mailed by certified or registered mail, postage prepaid, return receipt requested; (iii) the next business day, if sent by a prepaid overnight courier service; or (iv) when sent, if sent by facsimile transmission, with verification of receipt, and in each case addressed as follows:

If to GUM:

Glencar Underwriting Managers, Inc.
500 Park Boulevard, Suite 825
Itasca, IL 60143
Attn: Mitchell Luedtke
Email: mluedtke@glencarum.com

If to GIC:

Glencar Insurance Company
c/o Patrick P. Fee, President
Hannover Finance, Inc.
200 South Orange Avenue
Suite 1900
Orlando, Florida 32801
E-mail: pfee@hfinc.us1

or to such other address or to such other person as any party hereto shall have last designated by notice to another party.

(c) Transfer and Assignment; Successors. Without the other parties' written consent, which consent shall not be unreasonably withheld, this Agreement and the rights and obligations hereunder will not be assignable by any party. This Agreement will be binding upon, and inure to the benefit of, the respective successors and permitted assigns of each of the parties hereto.

(d) Counterparts. This Agreement may be executed in two or more counterparts, all of which shall constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all, of the parties hereto.

(e) Governing Law. THIS AGREEMENT SHALL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

(f) Consent to Jurisdiction; Waiver of Jury Right. Subject to the limitations in Section 5(c) and 17, each party to this Agreement hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of any federal court sitting in the State of Wisconsin for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby (and each party agrees not to commence any action, suit or proceeding relating thereto except in such court), and further agrees that service of any process, summons, notice or document in accordance with the Notice provisions herein shall be effective service of process for any action, suit or proceeding brought against such party in any such court. Also, subject to the limitations in Section 5(c) and 17, each party hereby irrevocably and unconditionally

waives to the fullest extent of permitted by Applicable Law, (i) any and all rights to trial by jury and (ii) any objections such party may now or hereafter may have to the laying of venue, of any such action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby.

(g) Headings. The headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision hereof.

(h) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but if any provision of this Agreement is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not render invalid or unenforceable any other provision of this Agreement.

(i) Modification; Amendment or Waiver; Remedies. This Agreement may be modified or amended only by a written instrument executed by the parties hereto. Any of the terms and conditions of this Agreement may be waived in writing at any time by the party entitled to the benefits thereof. No delay on the part of any party on exercising any right, power or privilege hereunder shall operate as a waiver thereof. No waiver on the part of any party of any right, power or privilege, or any single or partial exercise of any such right, power or privilege, shall preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and, unless provided otherwise in this Agreement, are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

(j) No Third Party Beneficiaries. Nothing in this Agreement is intended or shall be construed to give any Person, other than the parties hereto, their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein or therein.

(k) Dollar References. All dollar references in this Agreement are to the currency of the United States.

(l) Interpretation.

(i) The parties acknowledge and agree that, except as specifically provided herein, they may pursue judicial remedies at law or equity in the event of a dispute with respect to the interpretation or construction of the Agreement.

(ii) The parties hereto have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event that an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(iii) When a reference is made in this Agreement to a section or article, such reference will be to a section or article of this Agreement unless otherwise clearly

indicated to the contrary. Whenever the words “include,” “includes” or “including” are used in this Agreement they will be deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement (including the schedules and exhibits) as a whole and not to any particular provision of this Agreement. The meaning assigned to each term used in this Agreement will be equally applicable to both the singular and the plural forms of such term, and words denoting any gender will include all genders.

(iv) The schedules and exhibits attached hereto are incorporated into this Agreement and will be deemed a part hereof as if set forth herein in full. In the event of any conflict between the provisions of this Agreement and any schedule or exhibit, the provisions of this Agreement will control. Capitalized terms used in the exhibits or schedules have the meanings assigned to them in this Agreement. The section references referred to in the schedules are to sections of this Agreement, unless otherwise expressly indicated.

[signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

GLENCAR UNDERWRITING MANAGERS,
INC.

By:
Name:
Title:

GLENCAR INSURANCE COMPANY

By:
Name:
Title:

EXHIBIT A

SERVICES

Service Category	Description of Service
Actuarial	<p><u>Reserving:</u></p> <ul style="list-style-type: none"> • On a quarterly basis, as part of the financial reporting process, GUM's actuary shall complete a reasonability review of the reserves, including supporting data (e.g. Schedule P Data) provided by Mutual of Omaha to support booked reserves on the legacy/run-off business written by the Omaha Indemnity Company (OIC). • On an annual basis, GUM's actuaries will review for reasonableness and sound application of actuarial methodologies and principles, the third party reserve analysis provided by Mutual of Omaha as it relates to the legacy/run-off business written by the Omaha Indemnity Company (OIC). • GUM's Actuary will on a quarterly basis, complete required reserve analyses for Glencar Insurance Company ("GIC" or "Company") using industry recognized actuarial methodologies. • Upon approval by Hannover Re, GUM's Actuary will provide to GIC the annual Statement of Actuarial Opinion in a form that is consistent with current actuarial standards and practices and in line with applicable regulatory requirements. • All services including supporting reports, analyses and opinions are to be provided on or before the dates specified in the Company's closing schedule which is to be agreed with GUM in advance of the first quarter close. • GUM will, upon request by the Company, allow access to GIC's historical loss data that GUM possesses or controls. <p><u>Pricing:</u> GUM's Actuary will provide assistance to GIC with required rate filings and supporting calculations, methodologies and pricing models as may be deemed appropriate to arrive at the Company's desired rating plans in line with the regulatory requirements of the states where GIC is authorized to write business.. The frequency of such services will be determined by GIC's Underwriting Committee.</p>
Finance & Accounting	<ul style="list-style-type: none"> • GUM shall prepare on behalf of the Company the quarterly and annual statutory financial statements of the Company in accordance with applicable law, starting with the first quarter of 2018 and for subsequent periods thereafter. The complete statements shall be provided to the assigned representative of the Company for review by the time specified in the Company's closing schedule which shall consider the statutory deadline for the filing. • GUM shall complete on behalf of GIC all quarterly and annual statutory

	<p>filings on or before the deadline specified by the NAIC and the Company's regulator.</p> <ul style="list-style-type: none"> • As part of the Company's statutory reporting process, GUM shall complete required account reconciliations, including the monthly premium account reconciliations, on behalf of GIC, in the format prescribed by the Company. • GUM shall complete on behalf of GIC required financial reporting tasks in line with the requirements of Hannover. • GUM shall be responsible for issuing required commission payments and for providing administrative services and support to third party agents in accordance with their respective agency agreement, for all managed programs. • GUM will provide or cause its agents to provide to GIC required documentation in support of key financial reporting controls as may be deemed appropriate to satisfy the Company's internal controls framework or regulatory requirements. These services will be modified as audit and regulatory requirements change. • GUM shall maintain the statutory and IFRS general ledger on behalf of GIC. • GUM will be responsible for the administration, reconciliation and funding of the TPA bank accounts on behalf of GIC (including review of documentation supporting funding requests from the TPAs.) • GUM will upon completion of required approval process, issue required payments for operational expenses (e.g. ISO charges, filing fees, loss control TPA vendor, claims handling TPA vendor expenses, etc.), on behalf of GIC. • GUM shall be responsible for coordinating and completing financial budgeting and planning as required by the Company.
Reinsurance	<ul style="list-style-type: none"> • GUM will at least quarterly, review existing reinsurance collateral and trust funds held for the benefit of GIC. The review shall include an assessment of the balances for compliance with the terms of the applicable reinsurance or trust agreements. • GUM shall upon approval by the Company, seek to obtain additional collateral or to release any excess funds as may be required, based on the aforementioned collateral assessment. • GUM shall provide reinsurers with required reports and loss data, as it pertains to GIC's business, in the format and with the frequency specified in the applicable reinsurance agreements. • GUM shall be responsible for the accounting and settlement of balances under reinsurance agreements.
Claims	<p>GUM through a third party, will aggregate the claims and loss data received from the TPA's in an agreed upon format and will provide such data to GIC immediately at the end of each calendar month.</p>
Legal & Regulatory	<p>GUM will complete required premium tax returns on behalf of GIC. The frequency and timing of the returns will be in line with the requirements of</p>

	the Company's state of domicile. The returns will be prepared and provided to GIC for review at least fifteen (15) days in advance of the due date.
Information Technology	GUM will assist in the procurement, installation, administration, support and processing of systems required for GIC carrier functions including but not limited to: General Ledger, statutory "Yellow Book", Premium Tax reporting system and policy and claims database. The direct cost for purchasing the systems may be borne by GUM and charged back to GIC with prior approval from either GIC or Hannover Finance Inc. (HFI).
Personnel	GUM shall upon reasonable advance notice from GIC, make available requested GUM employees for calls and meetings required for the proper management and operation of GIC's business.

EXHIBIT B
SERVICE COORDINATORS AND SERVICE MANAGEMENT COMMITTEE

Service Coordinators	
Glencar Insurance Company (GIC)	John Woyden Judy Valerio
Glencar Underwriting Managers (GUM)	Art Zaremba Benjamin Biscoglia Kristine Graf (To be Hired) Statutory Accounting Manager
Service Management Committee	
Glencar Insurance Company (GIC)	Pat Fee, President Catherine Hood, Chief Operating Officer
Glencar Underwriting Managers (GUM)	Mitch Luedtke, CEO Michael Paul, CFO

Summary report: Litéra® Change-Pro TDC 10.1.0.300 Document comparison done on 11/9/2017 10:44:11 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Hannover - OIC - Administrative Services Agreement with GIC (ASA).docx	
Modified filename: Hannover - OIC - Administrative Services Agreement with GIC (1).docx	
Changes:	
Add	15
Delete	16
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	31