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THIS TABLE OF CONTENTS IS FOR REFERENCE PURPOSES ONLY. IT IS NOT PART OF THE TERMS, CONDITIONS OR EXCLUSIONS OF THIS POLICY, AND IS NOT INTENDED TO AFFECT THE MEANING OF SUCH TERMS, CONDITIONS OR EXCLUSIONS.

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SPECIMEN



Iron-Starr Excess Agency Ltd.
(Hereinafter referred to as the “Company”)

NOTICE

THIS IS A STAND-ALONE LIABILITY POLICY WHICH IS NOT SUBJECT TO THE TERMS AND CONDITIONS OF ANY OTHER INSURANCE AND CONTAINS PROVISIONS WHICH MAY BE DIFFERENT FROM THOSE OF ANY OTHER INSURANCE. IT SHOULD BE READ CAREFULLY BY THE INSURED.

COVERAGE APPLIES, SUBJECT TO THE TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY, ONLY IF NOTICE OF OCCURRENCE, OR OF A CLAIM ARISING THEREFROM, IS FIRST GIVEN DURING THE POLICY PERIOD OR, IF PURCHASED, THE DISCOVERY PERIOD. THE DATE SUCH NOTICE IS FIRST GIVEN IS THE DATE FOR DETERMINATION OF THE APPLICABLE LIMITS, RETENTIONS, TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY.

THE COMPANY DOES NOT HAVE ANY DUTY TO DEFEND. DEFENSE COSTS COVERED BY THIS POLICY ARE INCLUDED WITHIN AND ARE NOT IN ADDITION TO THE LIMITS OF LIABILITY OF THIS POLICY.

SPECIMEN



Iron-Starr Excess Agency Ltd.

(Hereinafter referred to as the “Insurer”)

In consideration of the payment of the premium set forth in Item 7 of the Declarations and in reliance upon the statements in the Application and Schedules referred to in Item 9 of the Declarations and any Renewal or Supplemental application(s) and any supplementary information pertaining to any such application(s), which are hereby incorporated by reference as if physically attached to this Policy, the Company agrees as follows:

SECTION I - COVERAGE

A. To indemnify **the Insured** for **Ultimate Net Loss** which **the Insured** becomes obligated to pay by reason of liability:

- (1) imposed by law, or
- (2) assumed by **the Insured** under contract or agreement,

for **Damages** on account of:

- (a) **Personal Injury**,
- (b) **Property Damage**, or
- (c) **Advertising Liability**

caused by an **Occurrence**; provided,

COVERAGE A: Notice of the **Occurrence**, or of a **Claim** arising therefrom, shall have been first given by **the Insured** during the **Policy Period** in accordance with Section V of this Policy, or

COVERAGE B: Notice of the **Occurrence**, or of a **Claim** arising therefrom, shall have been first given by **the Insured** during the **Discovery Period** in accordance with Section V of this Policy, but only if the **Discovery Period** option has been purchased in accordance with Section IV, Condition K. of this Policy or applies pursuant to Section IV, Condition L. of this Policy.

B. (1) Except for an **Integrated Occurrence**, the applicable limits of liability, retention, terms, conditions and exclusions shall be determined under the Policy in effect on the date when **Notice of Occurrence**, or of a **Claim** arising therefrom, is first given in accordance with the provisions of that Policy.

- (2) With respect to an **Integrated Occurrence**, the applicable limits of liability, retention, terms, conditions and exclusions of the Policy applicable to such **Personal Injury, Property Damage or Advertising Liability** shall be determined under the Policy in effect on the date in the **Annual Period** when **Notice of Integrated Occurrence** is first given in accordance with the provisions of that Policy; or, if **Notice of Integrated Occurrence** is given during the **Discovery Period**, the Policy in effect on the last day of the **Annual Period** of Coverage A preceding the **Discovery Period**.

SPECIMEN

SECTION II – LIMITS OF LIABILITY AND RETENTION

- A. Regardless of the number of **Insureds** under this Policy, the Company shall be liable only for that amount of **Ultimate Net Loss** for each **Occurrence** covered under this Policy, which is in excess of the greater of:
- (1) the amounts indicated as the limits of the applicable underlying insurances, including any reinstatements thereof, and self-insured retentions listed on the present or any prior Schedule B annexed to this Policy and any other underlying insurance and self-insured retentions, but only to the extent they:
 - (a) afford coverage for such **Occurrence**, and
 - (b) have not been reduced or exhausted solely by the actual payment of **Damages** covered under such underlying insurances and self-insured retentions, andregardless of whether such limits are collectible; or
 - (2) the per **Occurrence** Retention amount listed in Item 3 of the Declarations, provided; however, for each **Occurrence** arising out of **Industrial Aid Aircraft Use**, the per **Occurrence** retention shall not be less than One Hundred Million United States Dollars (US\$100,000,000.00).
- B. Subject to Paragraph A. of this Section II and regardless of the number of **Insureds** under this Policy, the total liability of the Company for all **Ultimate Net Loss** from each **Occurrence** covered hereunder shall not exceed the per **Occurrence** limit of liability stated in Item 2 (a) of the Declarations, and is further subject to the aggregate limits of liability stated in Item 2 (b) of the Declarations for all **Ultimate Net Loss** for all **Occurrences** covered in each **Annual Period** of Coverage A.
- C.
- (1) Subject to Section III, Exclusions P. and Q., all **Personal Injury, Property Damage** or **Advertising Liability** arising from an **Integrated Occurrence** shall be added together and treated as one **Occurrence**, irrespective of the number of persons or organizations injured or properties damaged.
 - (2) Subject to Section III, Exclusion Q., if notice of an **Occurrence** has been given during a prior **Annual Period**, and such **Occurrence** is included in a **Notice of Integrated Occurrence** given during a subsequent **Annual Period**, all **Ultimate Net Loss** arising from such **Occurrence** shall be included in the **Ultimate Net Loss** arising from such **Integrated Occurrence**. Any payments of **Ultimate Net Loss** on account of such earlier notified **Occurrence** shall be deemed to have been made under the **Annual Period** in which the Company first received **Notice of Integrated Occurrence**. Appropriate adjustments shall be made to the applicable limits of liability in the respective **Annual Periods** of this Policy to reflect such transfer of **Ultimate Net Loss** payments from the prior **Annual Period** to the **Annual Period** in which **Notice of Integrated Occurrence** was given.

- D. The applicable per **Occurrence** Retention described in Paragraph A. (2) of this Section II shall be reduced or exhausted solely by the actual payment of **Damages** covered under this Policy. This Policy shall not be subject to or follow the form of any underlying insurances or self-insured retentions, but shall apply in accordance with its own terms, conditions and exclusions.
- E. (1) With respect to any liability of an **Insured** which arises in any manner whatsoever out of operations or the existence of any **Joint Venture** in which such **Insured** has an interest, the liability of the Company under this Policy shall be limited to **the Insured's** liability arising out of such **Joint Venture**.
- (2) (a) The limits of liability of the Company applicable to **the Insured's** liability arising out of a **Joint Venture** shall be those described in Section II of this Policy.
- (b) Notwithstanding the foregoing, the cumulative liability of the Company from any one **Occurrence** arising out of the operations or existence of any **Joint Venture**, or arising in any manner out of **the Insured's** interest in any **Joint Venture**, involving more than one policyholder of the Company shall not exceed twice the largest applicable per **Occurrence** limit of liability for any such policyholder.
- (c) Such cumulative liability of the Company shall be prorated among such policyholders in proportion to the amounts which otherwise would be payable to such policyholders if there were no cumulative limit of liability established pursuant to Subparagraph (2) (b) of this Paragraph E.; provided, however, that any such policyholder which shall have a Scaled Joint Venture Coverage Endorsement shall be entitled to payment in full of the Company's obligations there under, leaving the balance of the cumulative limit to be so prorated. In the event it appears to the Company that the cumulative limit of liability may be reached, the Company in its discretion may pay any **Ultimate Net Loss** as it becomes due under this Policy and any other such policy into a fund to be established with any Court sitting in Bermuda for the benefit of all policyholders involved with the **Joint Venture** under all such policies. When the total of **Ultimate Net Loss** paid under all such policies (whether paid to policyholders or into such a fund) reaches the cumulative limit of liability established pursuant to Subparagraph (2) (b) of this Paragraph E., the obligations and liability of the Company under this Policy and all other such policies in respect of such **Occurrence** shall be discharged and shall cease.

SECTION III - EXCLUSIONS

THIS POLICY DOES NOT APPLY TO:

A. PREVIOUSLY NOTIFIED OCCURRENCES OR CLAIMS

Any **Occurrence**, including any "Batch Occurrence", "Integrated Occurrence" or similar term as defined under any other Policy, **Personal Injury**, **Property Damage** or **Advertising Liability** or any **Claim** or potential **Claim** arising therefrom, notice of which has been given or deemed to have been given under any other policy prior to the **Inception Date** of this Policy.

B. WORKERS' COMPENSATION

Any obligation for which the **Insured** or any company as its insurer may be liable under any workers' compensation, unemployment compensation or disability benefits law or similar law; provided, however, that this exclusion does not apply to liability arising under the Federal Employers Liability Act, the Jones Act or, in the case of any **Insured** which is an authorized self-insurer, under the Longshoremen's and Harbor Workers' Compensation Act.

C. PROFESSIONAL SERVICES

Any liability for **Property Damage** arising out of any act, error or omission in the rendering or failure to render professional services, other than architectural and engineering services, including but not limited to the rendering of legal, accounting, data processing, consulting, or investment advisory services.

D. OWNED PROPERTY

Property Damage to:

- (1) property owned or occupied by or rented to **the Insured**;
- (2) property loaned to **the Insured**;
- (3) personal property in the care, custody or control of **the Insured**; or
- (4) that particular part of real property or fixtures on which **the Insured** or any contractors or subcontractors working directly or indirectly on behalf of **the Insured** are performing operations, if such **Property Damage** arises out of such operations;

provided, however, that Paragraphs (2), (3) and (4) of this Exclusion D. do not apply to liability assumed under a sidetrack agreement; and further provided that Paragraphs (1) and (3) of this Exclusion D. do not apply to **Property Damage** to property of an **Insured** which is an **Insured** solely by virtue of Section VI, Definition T. (4) but only if such property is not owned, occupied by, rented to or in the care custody or control of an **Insured** which is an **Insured** other than by virtue of Definition T. (4).

E. FAILURE OF INSURED'S PRODUCTS OR WORK

Any liability of **the Insured**:

- (1) arising out of the failure of the **Insured's Products** or of work, including architectural or engineering services, by or on behalf of **the Insured** to meet any warranty or representation by **the Insured** as to the level of performance, quality, fitness or durability or to perform their function or serve their purpose, to the extent that such liability is for the diminished value or economic utility of the **Insured's Products** or work by or on behalf of the **Insured**;
- (2) arising out of **Property Damage** to any part of the **Insured's Products** or of work, including architectural or engineering services, performed by or on behalf of **the Insured**, if such **Property Damage** arises out of that particular part of such products or work, or out of materials, parts or equipment furnished in connection therewith;
- (3) for the costs incurred by **the Insured** or others for the withdrawal, inspection, repair, recall, return, replacement or disposal by **the Insured** or others, or, in connection with any of the foregoing, loss of use of the **Insured's Products** or work, including architectural or engineering services, by or on behalf of **the Insured** or of any property or products of others of which the **Insured's Products** or work form a part; provided that, except with respect to **Automobiles** or products used in or on **Automobiles** of which the **Insured's Products** or work form a part, this Exclusion E. (3) does not apply to costs incurred for the withdrawal, inspection, repair, recall, return, replacement or disposal of products or work of a party other than an **Insured** of which the **Insured's Products** or work form a part;
- (4) arising out of a decline in value of real or personal property but only to the extent such decline in value is attributable not to physical damage or destruction thereof but to proximity to operations, activities, equipment, or conditions which limit the use of such property, or make occupation of such property by people less feasible or desirable.

F. WAR

Personal Injury, Property Damage or **Advertising Liability** directly or indirectly occasioned by, happening through or in consequence of war, invasion, hostile action of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; provided, however, that this exclusion shall not apply to **Personal Injury, Property Damage** or **Advertising Liability** taking place in and caused by the foregoing events in the land area of the United States of America, its territories or possessions, Puerto Rico or Canada.

G. TOXIC SUBSTANCES

Personal Injury, Property Damage or Advertising Liability arising out of the manufacture, distribution, sale, installation, removal, utilization, ingestion or inhalation of, presence of or exposure to, as the case may be:

- (1) asbestos or any asbestos-containing materials; however this Exclusion G. (1) shall not apply to **Property Damage** arising out of asbestos or asbestos containing materials not incorporated in the **Insured's Products** or **Completed Operations** if such **Property Damage** results from an explosion, **Hostile Fire** or lightning;
- (2) tobacco or any tobacco products, or any component part or ingredient thereof;
- (3) 2,4,5 trichlorophenoxyacetic ("2,4,5 - T"), or 2, 3, 7, 8 - TCDD;
- (4) asbestiform talc;
- (5) diethylstilbestrol ("DES");
- (6) any intra-uterine device ("IUD"); or
- (7) any product containing silicone which is in any form implanted or injected in the body;

provided, however, that this exclusion shall not apply to **Personal Injury or Property Damage** where such **Personal Injury or Property Damage** is not related to the:

- (a) asbestos;
- (b) tobacco or any tobacco products, or any component part or ingredient thereof ingested or inhaled;
- (c) 2,4,5 - T or 2,3,7,8 - TCDD
- (d) asbestiform talc;
- (e) DES;
- (f) IUD; or
- (g) silicone,

content of goods, materials, products or **Completed Operations**.

H. AIRCRAFT

Any liability arising out of the design, testing, manufacture, construction, maintenance, service, use or operation of any **Aircraft** or any component part or equipment thereof, or any aviation - related equipment or service, including liability arising from a crash or hijacking; but this exclusion shall not apply to:

- (1) **Personal Injury or Property Damage** taking place during and arising from fueling and related operations while the **Aircraft** is on the ground and motionless;

- (2) **Personal Injury** or **Property Damage** arising from the manufacture of an **Aircraft** or any component part or equipment thereof where all such **Personal Injury** or **Property Damage** takes place at a manufacturing or associated storage facility and does not arise from a crash or hijacking of an **Aircraft**;
- (3) **Personal Injury** or physical damage to other **Aircraft** or tangible property arising from **the Insured's Industrial Aid Aircraft Use**, provided such physical damage results from such **Industrial Aid Aircraft Use** and the physical impact of such **Industrial Aid Aircraft** or the debris thereof with other **Aircraft**, whether or not on the ground, or with tangible property on the ground;
- (4) **Personal Injury** or **Property Damage** arising from a component part or equipment of an **Aircraft** which:
 - (a) has not yet been incorporated into an **Aircraft**; or
 - (b) has been incorporated into an incomplete **Aircraft** during the manufacturing process and the **Aircraft** has never been used for self-propelled movement on the ground or in the air;provided such **Personal Injury** or **Property Damage** does not arise from a crash or hijacking of an **Aircraft**;
- (5) **Personal Injury** or **Property Damage** caused by the **Insured's Products** which comprise or are incorporated into cabin furnishings, food service equipment, or other equipment used solely in the interior of an **Aircraft** and which are not necessary to or integrally related with takeoff, flight, landing or navigation of an **Aircraft**; or
- (6) **Personal Injury** or **Property Damage** caused by the **Insured's Products** which are of a type or grade sold principally for purposes other than use in **Aircraft**.

I. WATERCRAFT

Any liability arising out of the design, testing, manufacture, construction, maintenance, sale, service, use or operation of any **Watercraft**; but this exclusion shall not apply to:

- (1) **Watercraft** or risks listed on Schedule C hereto and any additional **Watercraft** acquired in the ordinary course of business during the **Policy Period**, which are of a similar type and use as the vessels listed on Schedule C; provided, the aggregate gross registered tonnage of all such additional **Watercraft** shall not exceed twenty percent (20%) of the gross registered tonnage of vessels listed on Schedule C;
- (2) loading or unloading of any **Watercraft** at premises owned, leased or controlled by **the Insured**;
- (3) liability for **Personal Injury** or **Property Damage** arising out of **Incidental Watercraft Use**, other than damage to any part of a **Watercraft** leased or

chartered by **the Insured** or to its cargo or other contents;

- (4) liability for **Personal Injury, Property Damage** or **Advertising Liability** arising out of the design, testing, manufacture, construction, maintenance, sale, service, use or operation by **the Insured** of any **Watercraft** less than seventy-five (75) feet in length; or
- (5) liability for **Personal Injury, Property Damage** or **Advertising Liability** arising out of the design, testing, manufacture, construction, maintenance, sale, service, use or operation by **the Insured** of any component part or equipment of any **Watercraft**.

J. POLLUTION

- (1)
 - (a) any liability for **Personal Injury, Property Damage** or **Advertising Liability** arising out of the **Discharge** of **Pollutants** into or upon land or the atmosphere, groundwater or aquifer, or any other watercourse or body of water whether above or below ground; or into the interior of any building or structure except to the extent such **Discharge** of **Pollutants** originates and remains confined within such building or structure; or
 - (b) any liability, loss, cost or expense of **the Insured** or others arising out of any direction or request, whether governmental or otherwise, that **the Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**.

This exclusion applies whether or not such **Discharge** of such **Pollutants**:

- (i) results from **the Insured's** activities or the activities of any other person or entity;
 - (ii) is sudden, abrupt, gradual, accidental, unexpected or unintended; or
 - (iii) arises out of or relates to industrial operations or the **Waste** or by-products thereof.
- (2) Paragraph (1) of this exclusion does not apply to:
 - (a) **Product Pollution Liability**;
 - (b) liability of **the Insured** for **Personal Injury** or **Property Damage** caused by an unexpected and unintended **Discharge** of **Pollutants**, but only if such **Discharge** results solely from a **Covered Pollution Peril** which commences on or after the **Inception Date**; or
 - (c)
 - (i) liability of **the Insured** for **Personal Injury** or **Property Damage** caused by an intentional **Discharge** of **Pollutants** solely for the purpose of mitigating or avoiding imminent **Personal Injury** or **Property Damage** which would be covered by this Policy; or

- (ii) liability of **the Insured** for **Personal Injury** or **Property Damage** caused by an unintended and unexpected **Discharge** of **Pollutants**, other than one encompassed by (2)(b) above, but only if **the Insured** becomes aware of the commencement of such **Discharge** within twenty (20) days of such commencement;

provided **the Insured** gives the Company written notice of such commencement of the **Discharge** under Paragraphs (2)(c)(i) or (ii) of this Exclusion J. within eighty (80) days of such commencement. Such notice must be provided irrespective of whether Mandatory Notice otherwise would be required pursuant to Section V, A. of this Policy. The notice provided under this Paragraph (2)(c) shall not be rendered invalid if any part of the eighty (80) day period in which to provide such notice extends beyond the end of the **Policy Period**. Written notice of commencement of the **Discharge** shall be deemed to have been given during the **Annual Period** in which such **Discharge** commenced.

Such notice shall specify, to the extent such information is available:

- (i) where such **Discharge** took place;
- (ii) when such **Discharge** commenced;
- (iii) the nature and approximate quantity of the **Pollutants** or other substance **Discharged**;
- (iv) when and the circumstances under which **the Insured** became aware of such **Discharge**; and
- (v) all other information required under Paragraph C. of Section V.

K. NUCLEAR

Any liability for:

- (1) **Personal Injury, Property Damage** or **Advertising Liability** in the United States, its territories or possessions, Puerto Rico or the Canal Zone (while under legal possession and control of the United States);
 - (a) with respect to which an **Insured** under this Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limits of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which
 - (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or

- (ii) **the Insured** is or, had this Policy not been issued, would be entitled to indemnity from the United States of America or any agency thereof under any agreement entered into by the United States of America or any agency thereof with any person or organization;
- (2) medical or surgical relief or expenses incurred with respect to **Bodily Injury**, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization in the United States, its territories or possessions, Puerto Rico or the Canal Zone (while under legal possession and control of the United States);
- (3) injury, sickness, disease, death or destruction resulting from hazardous properties of nuclear material, if:
 - (a) the nuclear material
 - (i) is at any nuclear facility owned by or operated by or on behalf of an **Insured** in the United States, its territories or possessions, Puerto Rico or the Canal Zone (while under legal possession and control of the United States), or
 - (ii) has been discharged or dispersed therefrom; or
 - (b) such nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed by or on behalf of an **Insured** in the United States, its territories or possessions, Puerto Rico or the Canal Zone (while under legal possession and control of the United States); or
 - (c) the injury arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of a nuclear facility, but if such facility is located within the United States, its territories or possessions, Puerto Rico or the Canal Zone (while under legal possession and control of the United States), this subparagraph (c) applies only to injury to or destruction of property at such nuclear facility.

As used in this exclusion, the following definitions apply:

- (a) "hazardous properties" include radioactive, toxic or explosive properties;
- (b) "nuclear material" means source material, special nuclear material or by-product material;
- (c) "source material," "special nuclear material" and "by-product material" have the meanings given them by the Atomic Energy Act of 1954 or in law amendatory thereof;
- (d) "spent fuel" means any fuel element or fuel component, solid or liquid which has been used or exposed to radiation in a nuclear reactor;

- (e) "waste" means any waste material:
 - (i) containing by-product materials; and
 - (ii) resulting from the operation by a person or organization of a nuclear facility included within the definition of nuclear facility under clauses (i) or (ii) of subparagraph (f) below;
- (f) "nuclear facility" means:
 - (i) any nuclear reactor;
 - (ii) any equipment or device designed or used for (x) separating the isotopes of uranium or plutonium, (y) processing or utilizing spent fuel, or (z) handling, processing or packaging waste;
 - (iii) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of **the Insured** at such premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or combination thereof or more than 250 grams of uranium 235; or
 - (iv) any structure, basin, excavation, premises or place prepared for storage or disposal of waste;
and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
- (g) "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (h) with respect to injury or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property or loss of the use thereof.

L. RADIOACTIVE CONTAMINATION (Outside the United States)

Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity outside the United States, its territories or possessions, Puerto Rico or the Canal Zone (while under legal possession and control of the United States) from any nuclear fuel or from any nuclear waste from the combustion, fission or fusion of nuclear fuel.

M. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Any liability arising out of any negligent act, error or omission of **the Insured**, or any other person for whose acts **the Insured** is legally liable, in the Administration of **the Insured's** Employee Benefits Programs, including, without limitation, liability or alleged liability under the Employee Retirement Income Security Act of 1974, as amended, or any similar provisions of state statutory law or common law or any

other law.

As used in this exclusion, the following definitions apply:

- (1) "Employee Benefits Programs" means group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers' compensation, unemployment insurance, social benefits, disability benefits, and any other similar employee benefits.
- (2) "Administration" means:
 - (a) giving counsel to employees with respect to the Employee Benefits Programs;
 - (b) interpreting the Employee Benefits Programs;
 - (c) handling of records in connection with the Employee Benefits Programs;
or
 - (d) effecting enrollment, termination or cancellation of employees under the Employee Benefits Programs.

N. SECURITIES, ANTITRUST, ETC.

Any liability arising under any statute, law, ordinance, rule or regulation, whether established pursuant to legislative, administrative, judicial, executive or other authority, of any nation or federal, state, local or other governmental or political body or subdivision thereof relating to:

- (1) the purchase, sale or distribution of securities or offers to purchase or sell securities, or investment counseling or management, including liability under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940, the Investment Advisers Act of 1940, and the so-called "blue-sky" laws of the various states or other jurisdictions;
- (2) antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including, without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act, the Lanham Act and the Hart-Scott-Rodino Antitrust Improvements Act;
- (3) fraud or breach of fiduciary duty;
- (4) criminal penalties;
- (5) the failure to pay when due any governmental tax including income, excise, property, value added and sales tax, or tariff, license fee or other governmental fee which is incidental to the conduct of business, or any assessment, fine, or penalty related thereto;
- (6) copyright, patent or trademark infringement other than **Advertising Liability**

with respect to copyrights, titles or slogans;

- (7) any defect in or impairment to title to real property, including fixtures, whether or not owned by an **Insured**;
- (8) disclosure relating to, or other regulation of sales of or offers to sell, real property;
- (9) employee, officer or director dishonesty; or
- (10) any liability of an employee, officer or director of an **Insured** to such **Insured**.

O. KNOWN OCCURRENCES

Any liability arising from any **Occurrence** of which any **Executive Officer** or any manager or equivalent-level employee in **the Insured's** Risk Management, Insurance or Law Department was aware prior to the **Inception Date**, irrespective of whether such person believed or expected such **Occurrence** would involve this Policy.

P. OCCURRENCES AFTER NOTICE OF INTEGRATED OCCURRENCE

Except as provided in Section IV, Condition K. (4), any **Occurrence** which is included in an **Integrated Occurrence**, and which takes place after **the Insured** has given **Notice of Integrated Occurrence**; however, this exclusion shall not apply to **Occurrences** which take place after **Notice of Integrated Occurrence** and which arise from:

- (1) the **Insured's Products** over which **the Insured** has relinquished possession by selling, distributing, giving away or abandoning such **Insured's Products**; , or
- (2) **Completed Operations** which are deemed completed

prior to **Notice of Integrated Occurrence**.

Q. OCCURRENCES EXCLUDED FROM INTEGRATED OCCURRENCE

Subject to Section III, Exclusion O. and except as provided in Section IV, Condition K. (4), any **Occurrence**:

- (1) which is included in an **Integrated Occurrence**; and
- (2) of which any **Executive Officer** or any manager or equivalent-level employee in **the Insured's** Risk Management, Insurance or Law Department first became aware more than five (5) years prior to **Notice of Integrated Occurrence**.

R. EXCLUSIONS APPLICABLE TO ADVERTISING LIABILITY

Advertising Liability arising out of:

- (1) breach of contract, other than misappropriation of advertising ideas under an implied contract;

- (2) infringement of registered trademarks, service marks or trade name by use thereof, but this exclusion shall not apply to titles or slogans;
- (3) the failure of goods, products or services to conform with advertised quality or performance;
- (4) the wrong description of the price of goods, products or services; or
- (5) an offense committed by an **Insured** whose business is advertising, broadcasting, publishing or telecasting.

S. CERTAIN CONTRACTUAL LIABILITY

Any liability assumed by **the Insured** under contract or agreement if such assumption takes place after the commencement of the **Occurrence** giving rise to such liability. This exclusion does not apply to liability of **the Insured** with respect to a former subsidiary, affiliate or associated company which was **an Insured** under this Policy and which **the Insured** has sold, transferred or otherwise divested after the **Inception Date**.

SPECIMEN

SECTION IV - CONDITIONS

A. APPEALS

In the event **the Insured** or **the Insured's** underlying insurers elect not to appeal a judgment in excess of the retention, or the underlying limits and self-insured retentions, as the case may be, the Company may elect to make such appeal at its own cost and expense and shall be liable for the taxable costs and disbursements of such appeal and post-judgment interest on the judgment appealed from accruing during such an appeal. In no event, however, shall liability of the Company for **Ultimate Net Loss** exceed the applicable limit of liability set forth in Item 2 of the Declarations plus the costs and expenses of such appeal.

B. ARBITRATION

- (1) (a) Any and all disputes arising under or relating to this Policy, including its formation and validity, and whether between the Company and **the Insured** or any person or entity deriving rights through or asserting rights on behalf of **the Insured**, shall be finally and fully determined in Bermuda under the provisions of The Bermuda International Conciliation and Arbitration Act 1993 (exclusive of the Conciliation Part of such Act), as may be amended and supplemented, by a Board composed of three arbitrators to be selected for each controversy as follows:
- (b) Any party to the dispute may, once a claim or demand on his part has been denied or remains unsatisfied for a period of twenty (20) calendar days by any other, notify the others in writing of its demand for arbitration of the matter in dispute, and at the time of such notification the party demanding arbitration shall notify any other party or parties of the name of the arbitrator selected by it. Any party or parties who have been notified shall within thirty (30) calendar days thereafter select an arbitrator and notify the party demanding arbitration of the name of such second arbitrator. If the party or parties notified of a demand for arbitration shall fail or refuse to nominate the second arbitrator within thirty (30) calendar days following the receipt of such notification, the party who first served notice of a demand for arbitration may, within an additional period of thirty (30) calendar days, apply to a judge of a court of competent jurisdiction in Bermuda for the appointment of a second arbitrator and in such a case the arbitrator appointed by such a judge shall be deemed to have been nominated by the party or parties who failed to select the second arbitrator. The two arbitrators, chosen as above provided, shall within thirty (30) calendar days after the appointment of the second arbitrator choose a third arbitrator. In the event of the failure of the first two arbitrators to agree on a third arbitrator within said thirty (30) calendar day period, any of the parties may within a period of thirty (30) calendar days thereafter, after notice to the other party or parties, apply

to a judge of a court of competent jurisdiction in Bermuda for the appointment of a third arbitrator, and in such case the person so appointed shall be deemed and shall act as the third arbitrator. Upon acceptance of the appointment by said third arbitrator, the Board of Arbitration for the controversy in question shall be deemed fixed. All claims, demands, denials of claims and notices pursuant to this Condition B. shall be given in accordance with Condition R. of this Section IV.

- (2) The Board of Arbitration shall fix, by a notice in writing to the parties involved, a reasonable time and place for the arbitration hearing and may in such written notice or at the time of the commencement of the hearing, prescribe reasonable rules and regulations governing the course and conduct of the hearing including without limitation, document and deposition discovery by the parties.
- (3) The Board shall, within ninety (90) calendar days following the conclusion of the hearing, render its written decision on the matter or matters in controversy and shall cause a copy thereof to be served on all the parties thereto. In case the Board fails to reach a unanimous decision, the decision of the majority of the members of the Board shall be deemed to be the decision of the Board, and the same shall be final and binding on the parties thereto. Such decision shall be a complete defense to any attempted appeal or litigation of such decision in the absence of fraud or collusion. Judgment upon the arbitration award may be entered in any court of competent jurisdiction.
- (4) Each party shall bear the costs of its own arbitrator, and all costs of the third arbitrator and of the arbitration shall be borne equally by the parties.
- (5) The Company and **the Insured** agree that in the event that claims for indemnity or contribution are asserted in any action or proceeding against the Company by any of **the Insured's** other insurers in any jurisdiction or forum other than that set forth in this Condition B., **the Insured** will in good faith take all reasonable steps requested by the Company to assist the Company in obtaining a dismissal of these claims (other than on the merits) and will, without limitation, undertake to the court or other tribunal to reduce any judgment or award against such other insurers to the extent that the court or tribunal determines that the Company would have been liable to such insurers for indemnity or contribution pursuant to this Policy. **The Insured** shall be entitled to assert claims against the Company for coverage under this Policy, including, without limitation, for amounts by which **the Insured** reduced its judgment against such other insurers in respect of such claims for indemnity or contribution, in an arbitration between the Company and **the Insured** pursuant to this Condition B.; provided, however, that the Company in such arbitration in respect of such reduction of any judgment shall be entitled to raise any defenses under this Policy and any other defenses, other than jurisdiction defenses, as it would have been entitled to raise in the action or proceeding with such insurers.

C. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Company unless and until its consent is endorsed hereon.

D. ASSISTANCE AND COOPERATION

- (1) The Company shall not be called upon to assume charge of the settlement or defense of any **Claim** made or suit brought or proceeding instituted against an **Insured**, but the Company shall have the right and shall be given the opportunity to associate with **the Insured** or **the Insured's** underlying insurers or both in the defense and control of any **Claim**, suit or proceeding relative to any **Occurrence** where the **Claim** or suit involves, or appears reasonably likely to involve, the Company, in which event **the Insured** and the Company shall cooperate in all things in the defense of such **Claim**, suit or proceeding.
- (2) **The Insured** shall furnish promptly all information reasonably requested by the Company with respect to any **Occurrence**, both with respect to any **Claim**, suit or proceeding against **the Insured** and pertaining to coverage under this Policy.
- (3) Those expenses incurred by the Company on its own behalf in connection with claims representation pursuant to Paragraph (1) of this Condition D. shall be at its own expense and shall not be part of **Ultimate Net Loss**.

E. CANCELLATION

- (1) Coverage A under this Policy may be cancelled:
 - (a) on the basis of a return premium of ninety percent (90%) of the unearned pro rata premium, at any time by the **Named Insured** by delivering written notice to the party listed in Item 8(b) of the Declarations stating when, but in no event prior to the date such notice is received, cancellation shall be effective; or
 - (b) on a pro rata return premium basis, at any time by the Company by delivering written notice to the **Named Insured** stating when, not less than ninety (90) days from the date the notice is received, cancellation shall be effective.
- (2) Coverage A will be cancelled:
 - (a) automatically retroactive to the anniversary date of the **Annual Period**, if the premium or proof of payment thereof is not received by the Company within five (5) days of the commencement of such **Annual Period**; or
 - (b) on a pro rata return premium basis, effective fifteen (15) days after delivering written notice to the **Named Insured**, if any payment of premium, other than payment of premium due and payable at the anniversary date of the **Annual Period**, or premium due under Condition

K. of this Section IV, is not made when due and payable.

- (3) Subject to Paragraph (4) below, Coverage B may not be cancelled by either the **Named Insured** or the Company, except Coverage B will be automatically cancelled as of its anniversary date if any payment of Coverage B premium is not made by such date.
- (4) Coverage A and B may be cancelled by the Company on a pro rata return premium basis effective not less than five (5) days after delivering written notice to the **Named Insured**, if any **Insured** files or commences a suit or proceeding against the Company other than as provided in Condition B., of this Section IV, except for the purpose of effectuating arbitration or enforcing an arbitration award returned pursuant to Condition B.

F. CHANGES

Notice to or knowledge possessed by any person shall not effect a waiver or change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy. The terms of this Policy may not be waived or changed, except by written endorsement issued to form a part hereof and signed by an authorized representative of the Company.

G. CONSENT TO JURISDICTION

Solely for the purpose of effectuating arbitration under Condition B. of this Section IV, including the enforcement of any award entered in such arbitration, the Company agrees as follows:

- (1) The Company, at the request of **the Insured**, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any Court of competent jurisdiction of 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. It is further agreed that service of process in such suit may be made upon the party named in Item 8(a) of the Declarations and that in any suit instituted against it to effectuate arbitration or to enforce any award entered in such arbitration, the Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal;
- (2) The party named in Item 8(a) of the Declarations is authorized and directed to accept service of process on behalf of the Company in any suit or action within the scope of this Condition G. or upon the request of **the Insured** to give a written undertaking to **the Insured** that such party will enter a general appearance on the Company's behalf in the event such a suit shall be instituted;
- (3) Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Company hereby designates 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 suit or action by **the Insured** within the scope of this Condition G., and hereby designates the party named in Item 8(a) of the Declarations as the person to whom the said officer is authorized to mail such process or a true copy thereof.

H. CROSS LIABILITY

In the event of a **Claim** made by reason of **Personal Injury** sustained by an employee of one **Insured** hereunder for which another **Insured** hereunder is or may be liable, this Policy shall cover such **Insured** against whom a **Claim** is made in the same manner as if separate policies had been issued to each **Insured** hereunder. Nothing contained herein shall operate to increase the Company's limits of liability as set forth in Item 2 of the Declarations.

I. CURRENCY

The **Ultimate Net Loss** and premiums under this Policy are payable in the respective currency(ies) set forth in Items 2 and 7 of the Declarations. Unless otherwise specified, such currency shall be United States Dollars.

J. DATES AND TIMES

All dates and times referred to in this policy shall be governed by the prevailing date and time at the address of the **Named Insured** shown in Item 1(b) of the Declarations.

K. DISCOVERY PERIOD

- (1) In the event of **Termination** of Coverage A, other than pursuant to Condition E., (2) or (4) of this Section IV, the **Named Insured**, prior to the **Termination Date** of such Coverage A, may purchase Coverage B for the following **Annual Period** for such **Insureds** as the **Named Insured** shall designate, by giving the Company written notice of such purchase and by paying to the Company the **Annual Period** premium set forth in the attached Schedule D no later than the date of commencement of such **Annual Period**.
- (2) In the event that the **Named Insured** purchases Coverage B pursuant to Paragraph (1) of this Condition K., the **Named Insured** may elect to purchase such Coverage B for any number of additional **Annual Periods** by giving the Company written notice of each purchase for a subsequent **Annual Period** and paying to the Company the corresponding **Annual Period** premium set forth in the attached Schedule D, no later than the end of the **Annual Period** for which such Coverage B was previously purchased. If the **Named Insured** shall fail to purchase Coverage B for any **Insured** for any **Annual Period**, it may not purchase Coverage B for any **Insured** for any subsequent **Annual Period**.
- (3) Except as provided in Section I, B. (2) and Paragraph (4) of this Condition K., for the purpose of determining the applicable limits of liability, retention,

terms, conditions and exclusions of Coverage B, notice of an **Occurrence** or **Claim** given during the **Annual Period** of Coverage B shall be deemed to have been given on the last day of the final **Annual Period** in the **Policy Period**. The aggregate limit of liability shall not be reinstated for the **Discovery Period**.

- (4) If the **Named Insured** gives **Notice of Integrated Occurrence** during the **Discovery Period**, only those **Occurrences** which otherwise fall within the definition of **Integrated Occurrence** and which commenced before the **Termination Date** of Coverage A shall be included in an **Integrated Occurrence** for all purposes under this Policy.

L. FORMER SUBSIDIARIES, AFFILIATES AND ASSOCIATED COMPANIES

If any subsidiary, affiliate or associated company of the **Named Insured** which is an **Insured** hereunder shall cease to be such a subsidiary, affiliate or associated company of the **Named Insured**, then at such time Coverage A shall automatically terminate as to such former subsidiary, affiliate or associated company. Coverage A shall continue with respect to the **Named Insured** and any other entity which remains an **Insured** for its own liability, if any, arising out of its prior ownership of or affiliation or association with the former subsidiary, affiliate or associated company. At the time of such automatic **Termination** of Coverage A, Coverage B shall, unless the **Named Insured** otherwise specifies, automatically incept as to such former subsidiary, affiliate or associated company and continue in force for the balance of the **Annual Period**, without additional payment or return of any premium. Prior to the end of such **Annual Period**, such former subsidiary, affiliate or associated company may, provided the **Named Insured** gives written consent to the Company, elect to continue Coverage B beyond the end of such **Annual Period** for such terms and conditions and additional premium as may be agreed with the Company.

M. GOVERNING LAW AND INTERPRETATION

- (1) This Policy shall be construed in accordance with the substantive laws of the State of New York, except insofar as such laws:
 - (a) may prohibit payment in respect of punitive damages covered hereunder;
 - (b) pertain to regulation under the New York Insurance Law, or regulations issued by the Insurance Department of the State of New York, pursuant thereto, applying to insurers doing insurance business or of issuance or delivery of policies of insurance within the State of New York; or
 - (c) are inconsistent with any express provision of this Policy.
- (2) The terms, conditions and exclusions of this Policy are to be construed in an evenhanded fashion as between **the Insured** and the Company. Without limitation, where the language of this Policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant terms, conditions and exclusions of this Policy, without

regard to authorship of the language; without any presumption, arbitrary interpretation, construction in favor of either **the Insured** or the Company or reference to the "reasonable expectations" of either party; and without reference to parol or other extrinsic evidence.

N. HEADINGS

The descriptions in the headings and sub-headings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

O. INSPECTION

The Company shall be permitted but not obligated to inspect **the Insured's** property, operations, books, records and files at any time. Neither the Company's right to make inspections nor the making thereof or of a report thereon shall constitute an undertaking on behalf of or for the benefit of **the Insured** or others to determine or warrant that such property or operations are safe or are in compliance with any statute, law, ordinance, rule or regulation.

P. LIABILITY OF THE COMPANY

The **Named Insured** and **the Insured** agree that the liability and obligations of the Company hereunder shall be satisfied from the funds of the Company alone and that the individual shareholders of the Company shall have no liability hereunder to the **Named Insured** or **the Insured**.

Q. LOSS PAYABLE

- (1) Liability under this Policy for **Ultimate Net Loss** with respect to any **Occurrence** shall not attach unless and until:
 - (a) **the Insured's** underlying insurer(s) or **the Insured** shall have paid the greater of the amount of any applicable underlying limits and self-insured retentions described in Section II, A. (1) or the applicable retention described in Section II, A. (2); and
 - (b) **the Insured's** liability covered hereunder shall have been fixed and rendered certain either by final judgment against **the Insured** after actual trial or by settlement approved in writing by the Company, and the **Insured** shall have paid such judgment or settlement.
- (2) **The Insured** shall make a definite demand for payment for any amount of the **Ultimate Net Loss** for which the Company may be liable under this Policy within twelve (12) months after **the Insured** shall have paid such amount. If any subsequent payments shall be made by **the Insured** on account of the same **Occurrence** or **Claim**, additional demands for payment shall be made similarly from time to time. Such losses shall be due and payable by the Company within thirty (30) days after they are respectively demanded and proven in conformity with this Policy. If judgment is rendered, settlement is denominated or another element of **Damages** is stated in a currency other than the applicable currency under Condition I. of this Section IV, payment

under this Policy shall be made in such applicable currency at the rate of exchange governing **the Insured's** payment of **Ultimate Net Loss**, or, if no such rate is specified, the rate prevailing on the date **the Insured** makes payment of **Ultimate Net Loss**.

- (3) Payment of any judgment or settlement by **the Insured** or any underlying insurer of any amounts within the per **Occurrence** Retention or underlying insurance in a currency other than the applicable currency under Condition I. of this Section IV shall be deemed to have been made in such applicable currency at the rate of exchange governing such payment, or if no such rate is specified, at the rate prevailing on the date **the Insured** or any underlying insurer makes such payment.

R. NOTICE

All notices under any provision of this Policy shall be in writing and given by hand, prepaid express courier, airmail or telecopier properly addressed to the appropriate party. Notice to any **Insured** may be given to the **Named Insured** at the address shown in Item 1(b) of the Declarations or to such other person as the **Named Insured** shall designate in Item 6 of the Declarations. Notice to the Company shall be given to the party indicated in Item 8(a) or (b), as applicable, of the Declarations. Notice given as above shall be effective only upon actual receipt by the respective party designated in the Declarations.

S. OTHER INSURANCE

- (1) Subject to Section III, Exclusion A., if other valid and collectible insurance with any other insurer, whether issued prior hereto, simultaneously herewith or subsequent hereto, is available to **the Insured** for **Ultimate Net Loss** covered by this Policy, other than insurance which is expressly and specifically in excess of the limits of, or quota share on the same layer as this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance.
- (2) If this Policy shall be deemed or required to contribute to **Ultimate Net Loss** with other insurance and such contribution arises in whole or in part from the failure of the **Named Insured** to list such other insurance on Schedule B hereto in accordance with the instructions for such Schedule B, then the **Named Insured** shall indemnify the Company for the amount of any such contribution, and this Policy shall apply as if such other insurance had been so listed.

T. POLICY EXTENSION

Subject to Condition E. (2)(a) of this Section IV, Coverage A of this Policy may be extended at the end of each **Annual Period** for another **Annual Period**, subject only to agreement between the Company and the **Named Insured** before such date as to the applicable premium and such other terms and conditions as the Company and the **Named Insured** may mutually deem appropriate.

U. PREMIUM

The premium for this Policy is a flat premium and is not subject to adjustment except as specifically provided herein. The premium shall be paid to the Company.

V. REINSTATEMENT

- (1) At the time of each annual Policy extension of Coverage A, the aggregate limit of liability set forth in Item 2(b) of the Declarations shall, unless otherwise agreed by the **Named Insured** and the Company, automatically be reinstated with respect to covered **Occurrences** of which notice is first given during the following **Annual Period**. There shall be no separate premium charged for this automatic reinstatement in addition to that provided for in Condition T. of this Section IV.
- (2) If during any **Annual Period** of Coverage A, the aggregate limit of liability set forth in Item 2(b) ("Original Aggregate Limit") of the Declarations is or may be impaired by virtue of **Occurrence(s)** of which notice has been given previously during such **Annual Period**, then the **Named Insured** shall be entitled to one reinstatement of all or any portion of such aggregate limit, based on the following terms and conditions:
 - (a) Reinstatement must be elected in writing by the **Named Insured**, which election shall specify the amount being reinstated ("Reinstatement Amount"), not to exceed an amount equal to the Original Aggregate Limit. Such reinstatement shall not be effective until the reinstatement premium described in Paragraph (3) of this Condition V. has been paid to the Company. The effective date of reinstatement ("Reinstatement Date") shall be the date the Company receives such reinstatement premium.
 - (b) All **Occurrences** of which
 - (i) **the Insured** is aware prior to the Reinstatement Date, and
 - (ii) notice is first given to the Company:
 - x. during that portion of the **Annual Period** of Coverage A prior to the Reinstatement Date, (and during any applicable **Discovery Period**) and
 - y. during that portion of the **Annual Period** of Coverage A (and during any applicable **Discovery Period**) on or after the Reinstatement Date,shall be subject to the Original Aggregate Limit;
 - (c) Only those **Occurrences** of which
 - (i) **the Insured** is not aware prior to the Reinstatement Date, and

- (ii) notice is first given to the Company during that portion of the **Annual Period** of Coverage A on or after the Reinstatement Date (and during any applicable **Discovery Period**)

shall be subject to Reinstatement Amount.

- (d) For purposes of Subparagraphs (b) and (c) of this Paragraph (2), **the Insured** shall be deemed to have been aware of an **Occurrence** if an **Executive Officer** or manager or equivalent-level employee in **the Insured's** Risk Management Insurance or Law Department was aware of such **Occurrence** irrespective of whether such person believed or expected such **Occurrence** was likely to involve this Policy.
- (e) The aggregate limit of liability for all **Occurrences** described in Subparagraph (c) of this Paragraph (2) shall be the sum of:
 - (i) any unused portion of the Original Aggregate Limit and
 - (ii) the Reinstatement Amount.

In no event shall the aggregate limit of liability under this Subparagraph (2)(e) exceed the Original Aggregate Limit.

- (f) In no event shall the aggregate limit of liability of the Company in respect of all **Occurrences** of which notice is first given to the Company during any **Annual Period** exceed the sum of the Original Aggregate Limit and the Reinstatement Amount for that **Annual Period**.
- (3) The reinstatement premium shall be an amount determined by the Company, but in no event shall this exceed one hundred and twenty-five percent (125%) of the greater of:
 - (a) the twelve (12) month premium for the **Annual Period** in which the reinstatement takes place; or
 - (b) the total premium for the **Annual Period** in which the reinstatement takes place.
- (4) The election of a **Discovery Period** pursuant to Condition K. of this Section IV shall not reinstate the aggregate limit otherwise applicable under this Policy.

W. REPRESENTATION

The **Named Insured** or such other person as it shall designate in Item 6 of the Declarations shall represent and have authority to bind the **Named Insured** and any and all **Insureds** hereunder in all matters under this Policy, including, without limitation, payment of premium, negotiation of the terms of renewal or reinstatement and the adjustment, settlement and payment of **Claims**. The **Named Insured**, by notice to the Company in writing, may designate a substitute representative, which representative shall be deemed to be designated in Item 6 of the Declarations, effective as of the date such notice is received by the Company or as of such date as otherwise agreed with the Company.

X. SUBROGATION

In the event of any payment hereunder, the Company shall be entitled to exercise rights of subrogation and **the Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. In such case, the Company will act in concert with all other interested parties, including **the Insured**, concerned in the exercise of rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any parties, including **the Insured**, that shall have paid an amount over and above any payment hereunder shall first be reimbursed up to the amount paid by them. The Company is then to be reimbursed out of any balance then remaining up to the amount paid by it. Lastly, the parties of whose interests this coverage is in excess, including **the Insured**, are entitled to claim the residue, if any. Expenses incurred in obtaining recoveries shall be apportioned among the interests sharing in such recovery in accordance with each such interest's proportionate share of the recovery.

SPECIMEN

SECTION V - NOTICE OF OCCURRENCE AND CLAIM

A. MANDATORY NOTICE

- (1) If an **Executive Officer**, or a manager or equivalent-level employee of **the Insured's** Risk Management, Insurance or Law Department shall become aware of an **Occurrence** or **Claim** likely to involve this Policy, **the Insured** shall, as a condition precedent to the rights of any **Insured** under this Policy, give written notice thereof to the Company providing the information and documents specified in Paragraph C. of this Section V.
- (2) Such notice must be given as soon as practicable and, in any event, during the **Policy Period** or the **Discovery Period**, if applicable, or in accordance with Section III, Exclusion J. (2)(c), if applicable. Failure to provide written notice as prescribed above shall result in a forfeiture of any rights to coverage hereunder in respect of such **Occurrence** or **Claim**.

B. PERMISSIVE NOTICE OF INTEGRATED OCCURRENCE

Subject to Paragraph A. of this Section V, **the Insured** may at its option give written notice to the Company of any **Occurrence** or **Claim** as an **Integrated Occurrence**. Such notice must be designated, in writing, as a **Notice of Integrated Occurrence**. Subject to Section III, Exclusions P. and Q., once **the Insured** gives **Notice of Integrated Occurrence**, all **Occurrences** that are the subject of such **Notice of Integrated Occurrence** and that fall within the definition of **Integrated Occurrence** shall be treated as such for all purposes under this Policy irrespective of whether this Policy has been terminated after **the Insured** has given **Notice of Integrated Occurrence** or whether **Notice of Integrated Occurrence** is given in any **Discovery Period**. The limit of liability applicable to such **Integrated Occurrence** shall be the limit described in Section II of this Policy.

C. NOTICE REQUIREMENTS

- (1) Notice of **Occurrence**, to be effective, must be specifically designated in writing as such, and must specify with reasonable particularity, to the extent such information is available:
 - (a) in the case of an **Occurrence** under Section VI, Definition Z. (1), the nature of the event, exposure to conditions, or acts or omissions, or offense, as the case may be, and when such event, exposure to conditions, or acts or omissions, or offense actually or allegedly commenced;
 - (b) in the case of an **Occurrence** under Section VI, Definition Z. (2):
 - (i) a description of the **Insured's Products** involved and the characteristic thereof actually or allegedly giving rise to the **Occurrence**;
 - (ii) the period during which such **Insured's Products** were sold or

otherwise distributed by **the Insured**; and

- (iii) the date when **the Insured** first learned of the actual or alleged **Personal Injury** or **Property Damage** arising out of the **Occurrence** and the circumstances by which **the Insured** came to such knowledge;
- (c) in the case of **Notice of Integrated Occurrence**, the date when and the circumstances by which **the Insured** first learned of:
- (i) with respect to Section VI, Definition V. (1), the same cause, hazard, defect, failure to warn or instruct or any combination thereof;
 - (ii) with respect to Section VI, Definition V. (2), the continuous, intermittent or repeated exposure to the same general harmful conditions or acts or omissions of another over a period longer than thirty (30) consecutive days; or
 - (iii) with respect to Section VI, Definition V. (3) the multiple or repeated broadcasts or publications of the same or substantially similar material

which resulted in actual or alleged **Personal Injury, Property Damage** or **Advertising Liability**;

- (d) with respect to all **Occurrences**:
- (i) the nature of the actual or alleged **Personal Injury, Property Damage** or **Advertising Liability** involved;
 - (ii) the identity of parties who actually or allegedly suffered such **Personal Injury, Property Damage** or injury from **Advertising Liability**;
 - (iii) the dates when or period(s) over which such parties actually or allegedly suffered such **Personal Injury, Property Damage** or injury from **Advertising Liability**; and
 - (iv) a description of parties who may in the future suffer **Personal Injury, Property Damage** or injury from **Advertising Liability** arising out of the **Occurrence**, and a description of any efforts undertaken or contemplated to prevent or mitigate such **Personal Injury, Property Damage** or injury from **Advertising Liability**.
- (2) Notice of **Claim**, to be effective, must be specifically designated in writing as such and must include to the extent such information is available:
- (a) all information required in Paragraph C. (1) of this Section V with respect to notice of **Occurrence**, except to the extent previously provided in a notice of **Occurrence** or **Claim** to the Company;
 - (b) copies of any written **Claim**, demand, notice, summons, complaint or other process received by **the Insured** or its representatives or agents; and

and

- (c) the identity of all parties asserting **Claims** arising out of the same **Occurrence**, except to the extent that such information has been previously provided in a notice of **Occurrence** or **Claim** to the Company.
- (3) Information submitted to the Company's underwriter(s), including applications, whether new, renewal or supplemental, shall not constitute notice of **Occurrence** or **Claim** under this Section V.

SPECIMEN

SECTION VI - DEFINITIONS

A. Advertising Liability means liability on account of one or more of the following offenses:

- (1) libel, slander or defamation;
- (2) any infringement of copyright or of title or of slogan;
- (3) piracy or misappropriation of ideas under an implied contract;
- (4) any invasion of right of privacy;

committed in any advertisement, publicity article, broadcast or telecast and arising out of **the Insured's** advertising activities.

B. Aircraft means any heavier than air or lighter than air aircraft, missile or spacecraft.

C. Annual Period means:

- (1) with respect to Coverage A:
 - (a) except as provided in (1)(b) below, the twelve (12) month period commencing on the **Inception Date** and on each anniversary thereof; and
 - (b) for any **Insured** which becomes an **Insured** after the **Inception Date** stated in Item 4 of the Declarations, the first **Annual Period** shall run from the date such **Insured** becomes an **Insured**, until the anniversary of the Coverage A **Annual Period** in which it became an **Insured**; thereafter, the **Annual Period** shall be the twelve (12) month period commencing on each anniversary thereof.
- (2) with respect to Coverage B:
 - (a) except as provided in (2)(b) below, the twelve (12) month period commencing on the **Termination Date** of Coverage A and on each anniversary thereof;
 - (b) for an **Insured** which ceases to be an **Insured** as provided in Section IV, Condition L., the first **Annual Period** shall run from the date such **Insured** ceases to be an **Insured** until the next anniversary date or earlier **Termination Date** of the Coverage A **Annual Period** in which it ceased to be an **Insured**; thereafter, the **Annual Period** shall be the twelve (12) month period commencing on each anniversary thereof.

D. Automobile means a land motor vehicle, trailer or semi-trailer.

E. Bodily Injury means physical injury to the body of a person including death at any time resulting therefrom.

F. Claim means an oral or written demand against an **Insured** for **Damages** covered by this Policy, and includes the threat or initiation of any suit or arbitration proceeding or a request for a tolling agreement.

G. Completed Operations means **the Insured's** "operations" which have been completed. "Operations" include materials, parts or equipment furnished in connection therewith.

(1) "Operations" shall be deemed completed at the earliest of the following times:

(a) when all operations to be performed by or on behalf of **the Insured** under the contract have been completed;

(b) when all operations to be performed by or on behalf of **the Insured** at the site of the operations have been completed;

(c) when the portion of the work out of which the **Personal Injury** or **Property Damage** arises has been put to its intended use by any person or organization other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.

(2) Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

(3) "Operations" does not include:

(a) operations in connection with the transportation of property, unless the **Personal Injury** or **Property Damage** arises out of a condition in or on a vehicle created by the loading or unloading thereof; or

(b) the existence of tools, uninstalled equipment or abandoned or unused materials.

H. Covered Pollution Peril means **Hostile Fire**, lightning or windstorm; the collision of an **Aircraft** with a building, another ground-based fixed structure or **Watercraft**; the upset, overturn or collision of an **Automobile** or rail vehicle; or, solely with respect to an aboveground structure, explosion, implosion or structural collapse.

I. Damages means all forms of compensatory damages, monetary damages and statutory damages; punitive or exemplary damages; and costs of compliance with equitable relief, which **the Insured** shall be obligated to pay, and has paid, by reason of judgment or settlement for liability on account of **Personal Injury, Property Damage** and **Advertising Liability**, and shall include **Defense Costs**. **Damages** does not include civil or criminal fines or penalties.

Any consideration paid by **the Insured**, or by **the Insured's** underlying insurers, other than in legal currency shall be valued at the lower of market value or **the Insured's** cost, without regard to **the Insured's** profit or other benefit inuring to **the Insured**.

J. Defense Costs means reasonable and necessary legal costs and other expenses

incurred by or on behalf of **the Insured** in connection with the defense of any **Claim** for which indemnity is sought under this Policy, including attorneys' fees and disbursements, law costs, premiums on attachment or appeal bonds, post-judgment interest, expenses for experts and for investigation, adjustment, appraisal and settlement, excluding the salaries, wages and benefits of **the Insured's** employees and **the Insured's** administrative expenses.

K. Discharge means discharge, emission, dispersal, migration, release or escape.

L. Discovery Period means:

- (1) except as provided in Paragraph (2) of this Definition, the twelve (12) month period, commencing upon the **Termination Date** of Coverage A of this Policy and ending:
 - (a) on the expiration of the last **Annual Period** for which Coverage B is purchased as provided in Section IV, Condition K., or
 - (b) the **Termination Date** of Coverage B pursuant to Section IV, Condition E. (4).
- (2) with respect to an **Insured** which ceases to be an **Insured**, the Coverage B period as provided in Section IV, Condition L.

M. Employment Liability means any liability, other than liability for **Bodily Injury** or **Property Damage**, arising from or in any way in connection with the actual, alleged, potential or attempted employer-employee relationship.

N. Executive Officer means the Chairman of the Board, President, Chief Executive, Operating, Financial and Administrative Officers, Managing Director, or any Executive or Senior Vice President of **the Insured**. Where any such title is inapplicable, the equivalent level of personnel shall be substituted.

O. Hostile Fire means a fire which becomes uncontrollable or breaks out from where it was intended to be.

P. Inception Date means the Inception Date set forth in Item 4 of the Declarations; provided, however, that with respect to any **Insured** which becomes an **Insured** subsequent to the **Inception Date**, the **Inception Date** for that **Insured** shall be the date such person or entity became an **Insured** under this Policy, or such other date as may be agreed in writing between the **Named Insured** and the Company.

Q. Incidental Watercraft Use means use by **the Insured** of any owned, non-owned, leased or chartered **Watercraft** less than seventy five (75) feet in length but shall not include use of **Watercraft**:

- (1) for the commercial carriage for a fee of passengers or cargo for parties other than **the Insured**;
- (2) in connection with the commercial provision of marine services to others for a fee;

- (3) held in inventory or otherwise for lease or charter to another person by an **Insured** in the business of lease or charter of **Watercraft**; or
 - (4) owned by a party other than **the Insured** which is being serviced, maintained, fueled, or tested or otherwise is in the temporary care, custody or control of **the Insured** in connection with any business operations of **the Insured** relating to **Watercraft** servicing, maintenance, fueling, testing, storage or associated or similar matters.
- R. Industrial Aid Aircraft** means an **Aircraft** owned, leased, chartered or used by **the Insured**.
- S. Industrial Aid Aircraft Use** means use by **the Insured** of any **Industrial Aid Aircraft** principally for the transportation of officers, employees and invited guests of **the Insured**, and having a seating capacity, exclusive of cockpit crew but inclusive of cabin crew, of no more than twenty (20) persons, but shall not include use of any **Aircraft**:
- (1) for commercial, charter or rental operations, flight school or aviation training; or any other operations where, for compensation, **the Insured** makes **Aircraft** available for operations or use by others;
 - (2) held in inventory or otherwise for sale, lease, charter or delivery to another person by an **Insured** in the business of manufacture, sale, lease or charter of **Aircraft**;
 - (3) for product testing or demonstration purposes;
 - (4) owned by a party other than **the Insured** which is being serviced, maintained, fueled or tested or otherwise is in the temporary care, custody or control of **the Insured** in connection with any business operations of **the Insured** relating to **Aircraft** servicing, maintenance, fueling, testing, storage or associated or similar matters; or
 - (5) giving rise to liability of **the Insured** arising out of the **Insured's Products**.
- T. the Insured** means, except as specifically stated otherwise in this Policy, all **Insureds** which meet a definition in Paragraphs (1) through (7) below during an **Annual Period** of Coverage A:
- (1) the **Named Insured** and, if the **Named Insured** is designated in Item 1(a) of the Declarations as a partnership or **Joint Venture**, the partnership or **Joint Venture** so designated and each partner or member thereof but only with respect to his or its liability as such;
 - (2) (a) any subsidiary, affiliate or associated company of the **Named Insured** for any **Annual Period** whose accounts as of the date of the financial statements of the **Named Insured** most recently submitted to the Company prior to the rating of the premium for such **Annual Period**:
 - (i) are consolidated in the financial statements of the **Named Insured** in accordance with generally accepted accounting principles in the

the United States of America;

- (ii) in the case of any foreign **Named Insured**, would be consolidated in the financial statements of such **Named Insured** if such accounts would have been consolidated in accordance with generally accepted accounting principles in the United States of America; or
 - (iii) were eligible for such consolidation and whose financial statements were submitted to the Company with such financial statements of the **Named Insured** as of such date;
- (b) any subsidiary, affiliate or associated company of the **Named Insured** listed on Schedule A hereto;
- (3) any present or former officer, director, stockholder or employee of any person or entity described in Paragraph (1), (2) or (6) of this Definition T., but only while acting within the scope of his duties as such, and any person or organization with respect to liability for providing real estate management for any such person or entity described in such Paragraphs;
- (4) any person, organization, trustee or estate to whom any person or entity described in Paragraph (1), (2) or (6) of this Definition T. is obligated by virtue of a written contract or agreement to provide insurance such as is afforded by this Policy, but only to the extent of such obligation and only in respect of operations (other than commercial insurance operations) by or on behalf of such person or entity described in such Paragraphs , or of facilities owned or used by such person or entity described in such Paragraphs;
- (5) with respect to any **Automobile** owned by any person or entity described in Paragraph (1), (2), (3) or (6) below of this Definition T. or hired for use on behalf of any such person or entity, any person or organization legally responsible for the use thereof, provided the actual use of the **Automobile** is with the permission of such person or entity;
- (6) any **Joint Venture** in which **the Insured** has an interest, but only if, as of or prior to the **Inception Date**:
- (a) **the Insured** has sole responsibility for the **Joint Venture**; or
 - (b) **the Insured** is obligated to provide insurance for the **Joint Venture** in its entirety such as is afforded by this Policy;

It is agreed to include automatically as an **Insured** any **Joint Venture** which, after the **Inception Date**, meets the requirement in Paragraph 6 (a) or (b) of this Definition T., provided that:

- (i) the fair value of the sum of all cash, securities, assumed indebtedness and other consideration expended by all participants in the **Joint Venture** thereof does not exceed five percent (5%) of the total assets of the **Named Insured** and its consolidated subsidiaries, affiliates and associated companies; or

- (ii) the incremental annual gross revenues attributable to such **Joint Venture** do not exceed five percent (5%) of the total annual gross revenues of the **Named Insured** and its consolidated subsidiaries, affiliates and associated companies

as most recently reported to the Company for rating purposes prior to the **Annual Period** in which such **Joint Venture** becomes an **Insured**; or

- (iii) the operations of the **Joint Venture** are not materially different from those of **the Insured** prior to the date such **Insured** becomes eligible to be an **Insured** under this policy.

Subject to Definition T. (6) (i), (ii), and (iii), the date such **Joint Venture** becomes an **Insured** under this Policy shall be the date such **Joint Venture** meets the requirements in Paragraph 6(a) or (b) of this Definition T.

Unless notice to the Company shall have been given and additional premium, if any, shall have been paid in respect of the **Joint Venture** not meeting the criteria set forth herein, such **Joint Venture** shall not be an **Insured** hereunder.

- (7) any entity acquired or formed by or merged with an **Insured** (a "Potential Additional Insured") during an **Annual Period** provided that:
 - (a) the fair value of the sum of all cash, securities, assumed indebtedness and other consideration expended by all **Insureds** for any such acquisition, formation or merger or any series of interrelated acquisitions, formations or mergers does not exceed five percent (5%) of the total assets of the **Named Insured** and its consolidated subsidiaries, affiliates and associated companies, or
 - (b) the incremental annual gross revenues attributable to such acquisition, formation or merger or any series of interrelated acquisitions, formations or mergers do not exceed five percent (5%) of the total annual gross revenues of the **Named Insured** and its consolidated subsidiaries, affiliates and associated companies, as most recently reported to the Company for rating purposes prior to the **Annual Period** in which such entity becomes an **Insured**; or
 - (c) the operations of the Potential Additional Insured prior to such acquisition, formation or merger or any series of interrelated acquisitions, formations or mergers nor the resultant combined or consolidated operations of **the Insured** and the Potential Additional Insured subsequent to such acquisition, formation or merger or any series of interrelated acquisitions, formations or mergers are not materially different from those of **the Insured** prior to such acquisition, formation or merger or any series of interrelated acquisitions, formations or mergers.

The date the Potential Additional Insured becomes an **Insured** under this policy shall be the effective date of merger, acquisition or formation of that **Insured**. The **Insured's** acquisition of a business division or other operations by asset acquisition, shall be considered an acquisition for purposes of this Paragraph (7).

Unless notice to the Company shall have been given and additional premium, if any, shall have been paid in respect of the acquisition or formation of or merger with any Potential Additional Insured not meeting the criteria set forth herein, such Potential Additional Insured shall not be an **Insured** hereunder and liability assumed by **the Insured** in connection with such acquisition, formation or merger shall not be covered hereunder.

U. Insured's Products means goods or products manufactured, sold, tested, handled or distributed by **the Insured** or others trading under its name, or tools, uninstalled equipment or abandoned or unused materials that were the subject of **Completed Operations** performed for others by **the Insured**.

V. Integrated Occurrence means:

- (1) with respect to the **Insured's Products, Personal Injury** or **Property Damage** which takes place on or after the **Inception Date** or **Retroactive Date**, if applicable, and arises from two (2) or more discrete units of the same or substantially similar **Insured's Products**, but only if all such **Personal Injury** or **Property Damage** results from the same cause, hazard, defect, failure to warn or instruct or any combination thereof;
- (2) with respect to other than (a) **Employment Liability**, (b) the **Insured's Products** and (c) **Advertising Liability, Personal Injury** to two (2) or more persons, or **Property Damage** to two (2) or more properties or residential or office units within a building, if such **Personal Injury** or **Property Damage** arises from continuous, intermittent or repeated exposure to the same general harmful conditions or acts or omissions of another over a period longer than thirty (30) consecutive days;
- (3) with respect to **Advertising Liability**, multiple or repeated advertisements, telecasts, broadcasts or publications of the same or substantially similar material causing injury to two (2) or more persons or organizations;

but only if all such **Personal Injury, Property Damage** or **Advertising Liability** has been identified as an **Integrated Occurrence** in a **Notice of Integrated Occurrence**.

W. Joint Venture means any joint venture, co-venture, joint lease, joint operating agreement or partnership.

X. Named Insured means the entity first named in Item 1(a) of the Declarations.

Y. Notice of Integrated Occurrence means a notice given in accordance with Section V, B. and C.

Z. Occurrence means:

(1) except with respect to the **Insured's Products**:

- (a) (i) an event;
- (ii) continuous, intermittent or repeated exposure to harmful conditions or acts or omissions; or
- (iii) with respect to **Advertising Liability**, an offense

which commences on or after the **Inception Date**, or the **Retroactive Date**, if applicable, and before the **Termination Date** of Coverage A, and which causes, allegedly causes or is deemed to cause **Personal Injury, Property Damage** or injury from **Advertising Liability** which is neither expected nor intended from the standpoint of **the Insured**;

- (b) Except with respect to an **Integrated Occurrence, Personal Injury** to each person arising from continuous, intermittent or repeated exposure to substantially the same general harmful conditions or act or omission of another over a period longer than thirty (30) days shall be deemed to arise out of a separate **Occurrence** from which **Personal Injury** to any other person arises;
- (c) Except with respect to an **Integrated Occurrence, Property Damage** to each piece of property or each residential or office unit within a building arising out of continuous, intermittent or repeated exposure to substantially the same general harmful conditions or acts or omissions of another over a period longer than thirty (30) days shall be deemed to arise out of a separate **Occurrence** from which **Property Damage** to any other piece of property or residential or office unit within a building; or
- (d) Except with respect to an **Integrated Occurrence**, injury to each person or organization arising from a single advertisement, telecast, broadcast or publication or multiple or repeated advertisements, telecasts, broadcasts or publications of the same or substantially similar material shall be deemed to arise out of a separate **Occurrence** from which injury to any other person or organization arises.

Subparagraphs (b) and (c) of this Definition Z. (1) shall not apply to **Personal Injury** or **Property Damage** arising out of the **Discharge of Pollutants** otherwise covered under this Policy.

(2) with respect to the **Insured's Products**, actual or alleged **Personal Injury** or **Property Damage** which takes place on or after the **Inception Date**, or the **Retroactive Date**, if applicable, and except with respect to an **Integrated Occurrence**, before the **Termination Date** of Coverage A, if such **Personal Injury** or **Property Damage** arises from use of the **Insured's Products** and is neither expected nor intended from the standpoint of **the Insured**.

With respect to **Personal Injury** or **Property Damage** which takes place on or

after the **Inception Date** or the **Retroactive Date**, if applicable, but which also commenced prior to the **Inception Date**, or **Retroactive Date**, if applicable, or continues after the **Termination Date** of Coverage A, the Company shall be liable only for that fraction of the entire period of **Personal Injury** or **Property Damage** for which:

- (a) except with respect to an **Integrated Occurrence**,
 - (i) the numerator is the time period of **Personal Injury** or **Property Damage** on or after the **Inception Date** or **Retroactive Date**, if applicable, and before the **Termination Date** of Coverage A; and
 - (ii) the denominator is the total time period over which **Personal Injury** or **Property Damage** took place.
- (b) with respect to an **Integrated Occurrence**,
 - (i) the numerator is the time period of **Personal Injury** or **Property Damage** on or after the **Inception Date**, or **Retroactive Date**, if applicable, and
 - (ii) the denominator is the total time period over which **Personal Injury** or **Property Damage** took place.

Unless included in a **Notice of Integrated Occurrence**, any **Occurrence** arising out of a discrete unit of the **Insured's Products** shall be deemed a separate **Occurrence** from any other **Occurrence** arising from another discrete unit of the **Insured's Products**.

AA. Personal Injury means **Bodily Injury**, mental injury, mental anguish, shock, sickness, disease, disability, false arrest, false imprisonment, wrongful eviction, detention, malicious prosecution, discrimination, humiliation, and libel, slander or defamation of character or invasion of rights of privacy. **Personal Injury** does not include any liability resulting from any act, error or omission:

- (1) committed in any advertisement, publicity article, broadcast, or telecast; and
- (2) arising out of **the Insured's** advertising activities.

AB. Policy Period means the period commencing with the **Inception Date** and ending with the **Termination Date** of Coverage A.

AC. Pollutant means any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**, which may, does, or is alleged to affect adversely the environment, property, persons or animals.

AD. Product Pollution Liability means liability for **Personal Injury** or **Property Damage** arising out of the **Discharge** of **Pollutants**, but only if such **Personal Injury** or **Property Damage**:

- (1) arises out of the end-use of the **Insured's Products**, other than **Insured Products** which are **Waste**, and
- (2) such use occurs after possession of such goods or products has been relinquished to others by **the Insured** or by others trading under its name and such use occurs away from premises owned, rented or controlled by **the Insured**.

Such goods or products shall be deemed to include any container thereof other than an **Automobile, Watercraft or Aircraft**.

AE. Property Damage means:

- (1) physical injury to or destruction of tangible property, including the loss of use thereof at any time resulting therefrom;
- (2) loss of use of tangible property which has not been physically injured or destroyed, arising from physical damage to or destruction of other tangible property; or
- (3) losses consequent upon evacuation arising from actual or threatened **Bodily Injury** or destruction of tangible property.

AF. Retroactive Date means the date, if any, set forth in Item 5 of the Declarations; provided, however, that with respect to coverage for any **Insured** which becomes an **Insured** subsequent to the **Inception Date**, the **Retroactive Date** shall be the date such person or entity became an **Insured** under this Policy, or such other date as may be endorsed to this Policy.

AG. Termination or Termination Date means:

- (1) for Coverage A:
 - (a) except as provided in Subparagraph (1)(b) below, the earlier of the effective date of cancellation of Coverage A, or the end of an **Annual Period** if not extended; or
 - (b) with respect to a former subsidiary, affiliate or associated company of the **Named Insured**, the date it ceased to be such.
- (2) for Coverage B, the end of the **Discovery Period**.

AH. Ultimate Net Loss means the total sum which **the Insured** shall become obligated to pay for **Damages** on account of **Personal Injury, Property Damage or Advertising Liability** covered under this Policy, either through adjudication or compromise, less any salvage or other recoveries.

AI. Waste means all waste and includes, without limitation, materials to be discarded, stored pending final disposal, recycled, reconditioned or reclaimed.

AJ. Watercraft means any ship or vessel of whatever type, designed principally for travel on water, including but not limited to, cargo vessels, passenger vessels, other vessels used for transport, towboats and barges, vessels used in the construction of pipelines, platforms or other facilities, storage vessels, tanker vessels, drill ships, drilling rigs and barges (including, without limitation, submersible drill rigs and barges, semi-submersible drill rigs and barges and self-elevating drill rigs and barges), floating production storage units, floating storage units and all other vessels of whatever nature and description, all whether or not self-propelled. **Watercraft** shall not include an offshore oil or gas platform secured in place for drilling or producing operations.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed by its duly appointed Authorized Representative.

SPECIMEN



Iron-Starr Excess Agency Ltd.

(Hereinafter referred to as the "Insurer")

SCHEDULE D

COVERAGE B ANNUAL PERIOD PREMIUM CHARGE

If the **Named Insured** shall elect to purchase Coverage B pursuant to Section IV, Condition K. of this Policy, the **Annual Period** premium charge for each **Annual Period** for Coverage B shall be computed by multiplying;

- (a) the twelve (12) month annual premium (including any applicable Reinstatement premium) for the last **Annual Period** in the **Policy Period**; or
- (b) the equivalent twelve (12) month annual premium (including any applicable Reinstatement premium), if the last **Annual Period** was for a time period other than twelve (12) months.

by the applicable factor set forth in the following table:

Coverage B

Annual Period Premium Charge:

1st Annual Period	30%
2nd Annual Period	20%
3rd Annual Period	10%
4th Annual Period	10%
5th and each additional Annual Period	9%