EIL 00 000 05 08

COMMERCIAL ENVIRONMENTAL IMPAIRMENT LIABILITY POLICY

THE COVERAGE AFFORDED UNDER THIS POLICY IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS

CLAIM RELATED COSTS REDUCE THE LIMITS OF INSURANCE

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown on the Policy Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (Section IV).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section II).

In consideration of the payment of premiums under this policy, and in reliance upon the statements contained on the Policy Declarations and any applications or other materials and information submitted herewith, and subject to the terms, conditions and exclusions of this policy, we agree with you as follows:

SECTION I - ENVIRONMENTAL IMPAIRMENT LIABILITY COVERAGE

COVERAGE A - Claims for Off-Site Bodily Injury and Property Damage:

a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "bodily injury" and "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "environmental impairment incident" and settle any "claim" or "suit" that may result. But:
   (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (Section V); and
   (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments, settlements or "claim related costs".

b. This insurance applies to "bodily injury" and "property damage" only if:
   (1) The "bodily injury" or "property damage" arise directly out of an "environmental impairment incident" "emanating from" and migrating beyond the boundaries of an "insured site" in the "coverage territory";
   (2) The "bodily injury" or "property damage", arise directly out of an "environmental impairment incident" that commences on or after the "retroactive date" shown on the Policy Declarations or as specifically endorsed to the policy;
   (3) The insured's responsibility to pay damages because of "bodily injury" or"property damage" is determined: in a "suit" on the merits in the "coverage territory", by "environmental regulations" in effect at the time of the "environmental impairment incident" or in a settlement we agree to; and
   (4) A "claim" for damages because of the "bodily injury" or "property damage" is first made against and reported to us by any insured, in writing, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under EXTENDED REPORTING PERIOD OPTION (Section VII).

c. A "claim" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
   (1) When notice of such "claim" is received and recorded by us; or
   (2) When we make a settlement in accordance with paragraph a. above.

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All "claims" for damages because of "bodily injury" to the same person "arising from" an "environmental impairment incident", including damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury", will be deemed to have been made at the time the first of those "claims" is made against any insured.

All "claims" for damages because of "property damage" to the same person or organization "arising from" an "environmental impairment incident" will be deemed to have been made at the time the first of those "claims" is made against any insured.

COVERAGE B - Claims for Off-Site Cleanup Costs:

a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "clean-up costs" at an "insured site" that the insured becomes legally obligated to pay because of an "environmental impairment incident" "emanating from" such "insured site" and to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "environmental impairment incident" and settle any "claim" or "suit" that may result. But:
   (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (Section V); and
   (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments, settlements, "claim related costs" or "clean-up costs".

b. This insurance applies to "cleanup costs" only if:
   (1) The "clean-up costs" arise directly out of an "environmental impairment incident" "emanating from" and migrating beyond the boundaries of an "insured site" in the "coverage territory";
   (2) The "clean-up costs" arise directly out of an "environmental impairment incident" that commences on or after the "retroactive date" shown on the Policy Declarations or as specifically endorsed to the policy;
   (3) The insured's responsibility to pay damages because of "clean-up costs" is determined in a "suit" on the merits in the "coverage territory", by "environmental regulations" in effect at the time of the "environmental impairment incident" or in a settlement we agree to; and
   (4) A "claim" for damages because of the "clean-up costs" is first made against and reported to us by any insured, in writing, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under EXTENDED REPORTING PERIOD OPTION (Section VII).
   (5) The "environmental impairment incident" results in the presence of "pollutants" that exceed the maximum levels allowable in accordance with "environmental regulations".

c. A "claim" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
   (1) When notice of such "claim" is received and recorded by us; or
   (2) When we make a settlement in accordance with paragraph a. above.

All "claims" for damages because of "clean-up costs" to the same person or organization "arising from" an "environmental impairment incident" will be deemed to have been made at the time the first of those "claims" is made against any insured.

COVERAGE C - Claims for On-Site Bodily Injury and Property Damage:

a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "bodily injury" and "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "environmental impairment incident" and settle any "claim" or "suit" that may result. But:
   (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (Section V); and
   (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments, settlements or "claim related costs".

b. This insurance applies to "bodily injury" and "property damage" only if:
   (1) The "bodily injury" or "property damage" arise directly out of an "environmental impairment incident" originating within the boundaries of an "insured site" in the "coverage territory";
   (2) The "bodily injury" or "property damage", arise directly out of an "environmental impairment incident" that commences on or after the "retroactive date" shown on the Policy Declarations or as specifically endorsed to the policy;
   (3) The insured's responsibility to pay damages because of "bodily injury" or"property damage" is determined: in a "suit" on the merits in the "coverage territory", by "environmental regulations" in effect at the time of the "environmental impairment incident" or in a settlement we agree to; and

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(4) A "claim" for damages because of "bodily injury" or "property damage" is first made against and reported to us by any insured, in writing, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under EXTENDED REPORTING PERIOD OPTION (Section VII).

c. A "claim" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
   (1) When notice of such "claim" is received and recorded by us; or
   (2) When we make a settlement in accordance with paragraph a. above.

All "claims" for damages because of "bodily injury" to the same person "arising from" an "environmental impairment incident", including damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury", will be deemed to have been made at the time the first of those "claims" is made against any insured.

All "claims" for damages because of "property damage" to the same person or organization "arising from" an "environmental impairment incident" will be deemed to have been made at the time the first of those "claims" is made against any insured.

COVERAGE D - Claims for On-Site Cleanup Costs:

a. We will pay those sums for "clean-up costs" at an "insured site" that the insured becomes legally obligated to pay because of an "environmental impairment incident" "emanating from" such "insured site" and to which this insurance applies. We have the right, but not the duty, to investigate, settle, contest or appeal, at our expense, any obligation asserted against an insured to pay "clean-up costs".

b. This insurance applies to "cleanup costs" only if:
   (1) The "clean-up costs" arise directly out of an "environmental impairment incident" originating within the boundaries of an "insured site" in the "coverage territory";
   (2) The "clean-up costs" arise directly out of an "environmental impairment incident" that commences on or after the "retroactive date" shown on the Policy Declarations or as specifically endorsed to the policy;
   (3) The insured's obligation to pay "clean-up costs" because of an "environmental impairment incident" is reported under applicable "environmental regulations" in effect at the time of the "environmental impairment incident"; and
   (4) Notice asserting such obligation must first be received by you and reported to us in writing, in such written form as we may require, during the policy period or any Extended Reporting Period we provide under EXTENDED REPORTING PERIOD OPTION (Section VII).

SECTION II - DEFINITIONS

1. "Arising from" means arising out of, relating to or resulting from.

2. "Asbestos" means naturally occurring hydrated fibrous mineral silicates that possess a unique crystalline structure and are incombustible in air, including chrysotile, amosite, crocidolite, tremolite, anthophyllite, actinolite, and any material that contains "asbestos".

3. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

4. "Bodily injury" means physical injury, sickness, or disease sustained by a person, including death resulting from any of these, arising directly out of an "environmental impairment incident". "Bodily injury" includes mental anguish or emotional distress, but only if resulting directly from physical injury, sickness or disease sustained by the same person.

5. "Borrowed employee" means a person provided to you by a temporary labor or other firm to perform duties related to the conduct of your business.

6. "Claim" means any written demand, notice, request for defense, request for indemnity, or other legal or equitable proceeding against any insured by a person, entity or asserted class for damages because of "bodily injury", "property damage", or "clean-up costs".

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7. "Claim related costs" means costs and expenses associated with the handling, investigation, defense and/or settlement of any "claim" or "suit", including, but not limited to, amounts for attorneys' fees, court costs, arbitration or mediation costs or expenses, expert witness fees, investigative fees, consulting fees, adjustment fees and any other "claim" or "suit" related costs or expenses.

8. "Clean-up costs" means expenses incurred in the removal, detoxification, dilution, neutralization, or remediation of "pollutants" in contaminated soil (including any building or structure thereupon), surfacewater, or groundwater, arising directly out of an "environmental impairment incident". "Clean-up costs" does not include entry, membership or other fees related to gaining entrance to any local, state or federal voluntary cleanup program.

9. "Coverage territory" means the United States of America (including its territories and possessions).

10. "Emanating from" means coming directly from and originating from an "insured site".

11. "Environmental impairment incident" means the discharge, dispersal, release, seepage, migration or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapors, soot, dust, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials into or upon land (including any building or structure thereupon), the atmosphere or watercourse or body of water, including groundwater.

12. "Environmental regulations" means any of the following statutes or any subsequent amendments, and any other applicable local or state regulations in effect during the policy period: Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), Superfund Amendments and Reauthorization Act of 1986 (SARA), Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), Federal Water Pollution Control Act, Toxic Substances Control Act (TSCA), and the Clean Air Act.

13. "Executive officer" means a person holding any of the officer positions created by your charter, by-laws or any other similar governing document.

14. "Insured site" means the specific location(s) of real property listed on the Policy Declarations or by applicable endorsement to the policy.

15. "Lead" means the heavy, ductile, soft, solid, naturally occurring metallic element used in paints.

16. "Leased employee" means a person leased to you by a professional employer organization, employee-leasing company, or other firm under a contract or agreement, to perform duties related to the conduct of your business.

17. "Loading or unloading" means the handling of property:
    a. After it is moved from the place where it is accepted for movement into or onto an aircraft, rolling stock, watercraft or "auto";
    b. While it is in or on an aircraft, rolling stock, watercraft or "auto"; or
    c. While it is being moved from an aircraft, rolling stock, watercraft or "auto" to the place where it is finally delivered;

    but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, rolling stock, watercraft or "auto". Property includes "pollutants".

18. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
    a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
    b. Vehicles maintained for use solely on or next to an "insured site";
    c. Vehicles that travel on crawler treads;
    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
        (1) Power cranes, shovels, loaders, diggers or drills; or
        (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
    e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
        (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
        (2) Cherry pickers and similar devices used to raise or lower workers;
    f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

a. Equipment designed primarily for:
   (1) Snow removal;
   (2) Road maintenance, but not construction or resurfacing; or
   (3) Street cleaning;
b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

19. **"Natural Resource Damage" means physical injury to or destruction of land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq)), any state or local government, any foreign government, any Indian tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Indian tribe.**

20. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapors, soot, dust, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials into or upon land (including any building or structure thereupon), the atmosphere or watercourse or body of water, including groundwater.

21. "Products-completed operations hazard" means:
    a. "Bodily injury", "property damage", and "clean-up costs" "arising from" an "environmental impairment incident" occurring at or away from an "insured site" and "arising from" of "your product" or "your work"; except:
       (1) Products that are still in your physical possession at an "insured site"; or
       (2) Work that has not yet been completed or abandoned at an "insured site".
    b. "Your work" will be deemed completed at the earliest of the following times:
       (1) When all of the work called for in your contract has been completed.
       (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
       (3) When that part of the work done at a site has been put to its intended use.

    Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

22. "Property damage" means:
    a. Physical injury to, destruction of or contamination of tangible property, including the resulting loss of use of that property, arising directly out of an "environmental impairment incident"; or
    b. Loss of use of tangible property that is not physically injured or destroyed, provided that such loss of use arises directly out of an "environmental impairment incident."

23. "Radon" means a colorless, odorless, tasteless gas produced from the radioactive decay of radium.

24. "Retroactive date" means the date set forth in the Policy Declarations and/or as specifically endorsed to the policy and is the earliest date that any "environmental impairment incident" can commence for coverage to be provided under this policy unless otherwise specifically endorsed to the policy.

25. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "clean-up costs" to which this insurance applies are alleged. "Suit" includes:
    a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
    b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

26. "Supervisory employee" means any "executive officer" project foreman, site supervisor, project manager, or any officer, director, manager or supervisor who is or who has at any time been employed by or working on behalf of any insured.

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27. "Your product" means:
    a. Any goods or products, other than real property, manufactured, sold, distributed or disposed of by:
        (1) You;
        (2) Others trading under your name; or
        (3) A person or organization whose business or assets you have acquired; and
    b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

    "Your product" includes:
    a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    b. The providing of or failure to provide warnings or instructions.

    "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

28. "Your work" means:
    a. Work or operations performed by you or on your behalf; and
    b. Materials, parts or equipment furnished in connection with such work or operations.

    "Your work" includes;
    a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
    b. The providing of or failure to provide warnings or instructions.

SECTION III - EXCLUSIONS

This insurance does not apply to any "claim", "claim related costs", "clean-up costs", or "suit" "arising from":

1. **Prior "Environmental Impairment Incidents"**
   Any "environmental impairment incident" existing, commencing or occurring prior to the "retroactive date" shown on the Policy Declarations, or as specifically endorsed to the policy.

   Or "arising from" any "environmental impairment incident" existing, commencing or occurring prior to the inception date shown on the Policy Declarations or as specifically endorsed to the policy if any "supervisory employee" of any insured knew or reasonably could have foreseen that such "environmental impairment incident" took place.

2. **Expected or Intended Acts**
   Any "environmental impairment incident" expected or intended from the standpoint of the insured, or any intentional, willful or grossly negligent failure by any insured to comply with any statute, regulation, ordinance, or administrative complaint, notice of probation, notice letter, executive order or instructions of any governmental or public agency or body.

3. **Contractual Liability**
   The assumption of liability by any insured in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

4. **Workers' Compensation and Similar Laws**
   Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

5. **Employers' Liability**
   "Bodily injury" or "property damage" to:
   a. An employee or former employee of the insured, including any "leased employee" or "borrowed employee", arising out of and in the course of:
      (1) Employment by any insured; or
      (2) Performing duties related to the conduct of the insured's business.
   b. The spouse, child, parent, brother or sister of that employee, former employee, "leased employee" or "borrowed employee" as a consequence of paragraph a. above.

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This exclusion applies:

a. Whether the insured may be liable as an employer, former employer or in any other capacity; and
b. To any obligation to share damages with or repay someone else who must pay damages because of the injury or damage.

6. **Punitive Damages**
Any punitive, exemplary or multiplied damages or statutory assessments.

7. **Fines or Penalties**
Any fines or penalties "arising from" any civil, regulatory, administrative, or criminal fines or penalties, assessments, punitive, exemplary or multiplied damages.

8. **Damage to Property**
Any "property damage" to:
a. An "insured site", including any building or property located at the "insured site";
b. Property you own, rent, or occupy;
c. Premises you sell, give away, or abandon, if the "property damage" arises out of any part of those premises;
d. Property loaned to you; or
e. Personal property in the care, custody or control of the insured.

9. **Natural Resource Damage**
Or based upon any "Natural Resource Damage".

10. **Products-Completed Operations Hazard**
Any "environmental impairment incident" included within the "products-completed operations hazard".

11. **Offshore Facility/Wells**
The ownership or operation of any offshore facility as defined in the Outer Continental Shelf Lands Act Amendment of 1978 or the Clean Water Act of 1977 as amended in 1978 or any deepwater port as defined in the Deepwater Port Act of 1974 as amended, or as may be amended, nor shall there by any coverage for "claims" or "suits" "arising from" any water or geothermal well of any kind or nature whatsoever.

12. **Aircraft, Auto, Rolling Stock or Watercraft**
The ownership, maintenance, use or entrustment to others of any aircraft, "auto", rolling stock or watercraft. Use includes operation and "loading or unloading".

13. **Nuclear Hazard**
a. Any "claim", suit", or "claim related costs" for which there is any other policy, insurance or coverage or with respect to which an insured under this policy is also an insured under a Nuclear Energy Liability Policy issued by the 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 Limit or Liability.
b. The hazardous properties of "nuclear material" and with respect to which:
(1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
(2) The insured is, or had this policy not been issued by us 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.
c. The hazardous properties of any radioactive material, "nuclear material", "nuclear waste" or "spent fuel".
d. As used in this exclusion:
(1) "hazardous properties" include radioactive, toxic or explosive properties;
(2) "nuclear material" means "source material", "special nuclear material" or "byproduct material";
(3) "source material", "special nuclear material" and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
(4) "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
(5) "nuclear waste" means any waste material containing "nuclear material", radioactive material or "byproduct material";
(6) "nuclear facility" means:

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(a) Any "nuclear reactor";
(b) Any equipment or device designed or used for separating the isotopes of uranium or plutonium, processing or utilizing "spent fuel", or handling, processing or packaging "waste";
(c) 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 the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "nuclear 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;

(7) "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.

14. **War**
Any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection for military or usurped power, strike, riot or civil commotion.

15. **Lead Paint**
Any "lead" contained in paint.

16. **Capital Improvements**
Any capital expenditure or improvement to or from any "insured site". This exclusion does not apply to an "environmental impairment incident" arising out of the improvement activities themselves.

17. **Natural Radioactive Material**
Any naturally occurring radioactive materials, including but not limited to "radon".

18. **Underground Storage Tank(s)**
Any existing or previously existing underground storage tank(s) and associated piping on, at, under an "insured site", unless such underground storage tank(s) and associated piping, if any, are specifically listed and covered by endorsement to this policy.

19. **Absolute Asbestos**
Any "asbestos", including, but not limited to "asbestos" products, "asbestos" containing material, "asbestos" fibers or "asbestos" dust.

20. **Acid Rain**
Any acid rain.

21. **Superfund Sites**
Any site, premises or location identified under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, or any state Superfund or Priorities list.

22. **Landfill Sites**
Any site, premises or location which is or was used as a regulated or unregulated landfill or site for the disposal, storage, treatment or deposit of solid or liquid wastes on or beneath the land.

23. **Date Recognition**
a. Any actual or alleged failure, modification to, malfunction or inadequacy of:
(1) any of the following, whether belonging to any insured or to others or whether recommended, sold, procured, designed or developed by any insured or others:
(a) computer hardware, including micro-processors;
(b) computer application software;
(c) computer operating systems and related software;
(d) computer networks;
(e) micro-processors, semi-conductors, or digital, analog or integrated devices not part of any computer systems; or
(f) any other computerized or electronic equipment or components; or

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(2) any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph a.(1) of this Endorsement.

due to the inability to correctly recognize, process, distinguish, interpret or accept any date.

b. This exclusion applies regardless of any other cause, event or incident that contributes concurrently or in any sequence to the "claim", "suit", "claim related costs" or "environmental impairment incident". This exclusion also applies regardless of any changes or modifications made at any time to any of the items listed in Paragraph a(1). to correct or attempt to correct the inability to recognize, process, distinguish, interpret or accept any date.

SECTION IV - WHO IS AN INSURED

1. If you are designated on the Policy Declarations as:
   a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
   b. A partnership or joint venture, you are an insured. Your members and your partners and their spouses are also insureds, but only with respect to the conduct of your business.
   c. An organization other than a partnership or joint venture, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duty as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:
   a. Your employees other than your "executive officers", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no employee is an insured for:
      (1) "Bodily injury":
         (a) To you, to your partners or members (if you are a partnership or joint venture), or to a co-employee, "leased employee" or "borrowed employee" while in the course of his or her employment or while performing duties related to the conduct of your business;
         (b) To the spouse, child, parent, brother or sister of that co-employee, "leased employee" or "borrowed employee" as a consequence of paragraph (1)(a) above; or
         (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above.
      (2) "Property damage" or "clean-up costs" "arising from" property owned, occupied, used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any employee, a "leased employee" or "borrowed employee", or, if you are a partnership or joint venture, by any partner or member.
   b. Any person or organization having proper temporary custody of an "insured site" if you die, but only:
      (1) With respect to liability arising out of the maintenance or use of that "insured site"; and
      (2) Until your legal representative has been appointed.
   c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

   No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured on the Policy Declarations or by endorsement to this policy.

SECTION V - LIMITS OF INSURANCE

1 The Limits of Insurance shown on the Policy Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. "Insured sites";
   c. "Claims" made or "suits" brought;
   d. Persons or organizations making "claims" or bringing "suits"; or
   e. Governmental actions or "environmental regulations" with respect to "clean-up costs".

2. The Environmental Impairment Aggregate Limit is the most we will pay for the sum of:
   a. All damages because of "bodily injury", "property damage" and "clean-up costs"; and
   b. All expenses associated with any "claim related costs".

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3. Subject to the Environmental Impairment Aggregate Limit above, the most we will pay for any one "environmental impairment incident" for the sum of:
   a. All damages because of all "bodily injury" and "property damage" "arising from" that "environmental impairment incident"; and
   b. All "clean-up costs" "arising from" that "environmental impairment incident"; and
   c. All expenses associated with any "claim related costs" "arising from" that "environmental impairment incident"; will be the lesser of:
      (1) The Each Environmental Impairment Incident Limit shown on the Policy Declarations; or
      (2) The sum of those damages for "bodily injury" or "property damage" plus all expenses associated with any "claim related costs" and all "clean-up costs" to the extent required by applicable "environmental regulations".

SECTION VI - COVERAGE CONDITIONS

1. **Bankruptcy.**
   Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. **Duties In the Event of A "Claim" or "Environmental Impairment Incident".**
   a. You must see to it that we are notified as soon as practicable of any insured becoming aware of any "environmental impairment incident" that may result in a "claim" or any action or proceeding to impose an obligation on the insured for any "clean-up costs". Notice should include:
      (1) How, when and where the "environmental impairment incident" took place;
      (2) The names and addresses of any injured persons and witnesses; and
      (3) The nature and location of any injury or damage arising out of the "environmental impairment incident".
      Notice of an "environmental impairment incident" is not notice of a "claim".
   b. If a "claim" is made against any insured or an action or "suit" is initiated, you must see to it that we receive written notice of the "claim" or notice of action or "suit" as soon as practicable of any insured becoming aware of any such "claim", action, or "suit".
   c. The insured must:
      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with any "claim" or "environmental impairment incident";
      (2) Authorize us to obtain records and other information including, but not limited to all technical reports, laboratory data, field notes or any other documents generated by persons the insured has hired to investigate or remediate an "environmental impairment incident", all expert reports, investigations and data collected by experts the insured has retained, whether or not you intend to use the material for any purpose;
      (3) Cooperate with us in the investigation, settlement or defense of the "claim" or "environmental impairment incident"; and
      (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may apply.
   d. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for minor first aid, without our consent.
   e. We shall have the right, but not the duty, to participate in decisions regarding clean-up or remediation of an "environmental impairment incident", or to assume direct control over all aspects of such clean-up or remediation and the adjustment of any "claim" up to the applicable limit of liability.

3. **Legal Action Against Us.**
   No person or organization has a right under this policy:
   a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
   b. To sue us on this policy unless all of its terms have been fully complied with.

   A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. **Other Insurance.**
   If other insurance is available to the insured for a loss we cover under this policy, our obligations are limited as follows:

   This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis.

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When this insurance is excess, we will have no obligation or duty under Section I to defend any "claim" that any other insurer has a duty to defend.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

a. The total amount that all such other insurance would pay in the absence of this insurance; and
b. The total of all deductible and self-insured amounts under all such other insurance.

5. **Representations.**
By accepting this policy, you agree:
a. The statements contained on the Policy Declarations and any other supplemental materials, application and information submitted herewith are true, accurate, and complete, and such statements and representations are incorporated herein and made a part of this policy.
b. Those statements are based upon representations you made to us; and
c. We have issued this policy in reliance upon your representations, and such statements and representations are incorporated herein and made a part of this policy.

6. **Separation of Insureds.**
Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:
a. As if each Named Insured were the only Named Insured; and
b. Separately to each insured against whom a "claim" is made.

7. **Transfer of Rights of Recovery Against Others To Us.**
If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing to impair them. At our request, the insured will bring a "claim" or transfer those rights to us and help us enforce them.

8. **Inspection.**
We shall have the right, but not the obligation, to inspect "your work", your property, documents and operations, or "insured site" wherever located, at any time and from time to time. The insured shall assure access by our representatives to all such areas and documents. Neither our right to make inspections nor the making thereof, nor the making of any report as a result thereof, shall constitute an undertaking, by us or our representatives, of or for the insured's or any other person's or entity's benefit, to determine, warrant or guarantee that such property or operations are safe, appropriate, or in compliance with any law, rule or "environmental regulations".

9. **Liability of the Company.**
The insured agrees that our liability hereunder shall be satisfied solely from our available funds and that our directors, officers, agents, managers, representatives, and shareholders shall have no liability hereunder to any insured.

10. **Investigations.**
It is expressly agreed by the insured that the undertaking, or agreement to undertake, by us, of any investigation, report, settlement or defense of any:
a. "claim", notice, "suit", demand, complaint or similar matter;
b. "environmental impairment incident"; or
c. other fact or circumstance,
shall not constitute either a waiver by us, or any estoppel on us to later assert any term, condition, provision or exclusion in the policy, or the applicability thereof to any such "claim", notice "suit", demand, "environmental impairment incident" or complaint. It is agreed that any such action by us shall be undertaken with reservation of all rights.

11. **Cancellation.**
a. The first Named Insured shown on the Policy Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
(1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
(2) 30 days before the effective date of cancellation if we cancel for any other reason.
c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

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e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro-rata. If the first Named Insured cancels, the refund will reflect the greater of the Minimum Retained Premium designated on the policy Declarations Page, or a Short Rate charge. The cancellation will be effective even if we have not made or offered a refund.
f. If notice is mailed, proof of mailing will be sufficient proof of notice.

12. **Changes.**
This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown on the Policy Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

13. **Premiums.**
The first Named Insured shown on the Policy Declarations:
a. Is responsible for the payment of all premiums; and
b. Will be the payee for any return premiums we pay.

14. **Service of Suit**
It is agreed that the service of process in any "claim" or "suit" on the policy against the Company may be made upon the highest one in authority bearing the title "Commissioner", "Director" or "Superintendent" of Insurance of the state or commonwealth wherein the policy is issued. The one in authority bearing the title "Commissioner", "Director" or "Superintendent" of Insurance of the state or commonwealth wherein the policy is issued is hereby authorized and directed to accept service of process on our behalf in any such "claim" or "suit".

15. **Application for Insurance**
The application made to us for insurance, including all statements and representations contained therein, is incorporated herein and made a part of the policy.

SECTION VII - EXTENDED REPORTING PERIOD OPTION

1. Automatic Extended Reporting Period

a. Upon termination of this policy for any reason other than non-payment of premium or non-compliance with the terms and conditions of this policy, a "claim" first made against the insured and reported to us, in writing, within 30 days of the end of the policy period or termination of coverage, whichever is earlier, will be deemed to have been made on the last day of the policy period, provided that the "claim" is for damages because of "bodily injury", or "property damage" or "clean-up costs" arising out of an "environmental impairment incident" provided:
(1) The "bodily injury", "property damage" or "clean-up costs" takes place subsequent to the "retroactive date" shown in the Declarations and before the end of the policy period;
(2) The "bodily injury", "property damage" or "clean-up costs" first manifests itself subsequent to the "retroactive date" shown in the Declarations and before the end of the policy period; and
(3) The "claim" arises out of an "environmental impairment incident" subsequent to the "retroactive date" shown in the Declarations and before the end of the policy period.

b. All coverage shall be subject to all of the policy terms, conditions and exclusions. The Automatic Extended Reporting Period shall only apply if no other similar insurance is in force at the time of the Automatic Extended Reporting Period. The Automatic Extended Reporting Period shall not in any way reinstate or increase the Limits of Insurance or extend the policy period.

c. No part of the Automatic Extended Reporting Period shall apply if the Optional Extended Reporting Period is purchased.

2. Optional Extended Reporting Period
This Section applies only if:
a. We cancel or non-renew this policy for any reason except non-payment of the premium or non-compliance with the terms and conditions of this policy; or
b. We renew or replace this policy with other Environmental Impairment Liability insurance that:
(1) Provides claims-made coverage for "Bodily Injury" and "Property Damage" Liability; and
(2) Has a "retroactive date" later than the one shown on the Policy Declarations.
c. No other similar insurance is in force at the time of the Optional Extended Reporting Period.

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2. If we provide the extended Reporting Period Endorsement:
   a. A "claim" first made within one year after the end of the policy period will be deemed to have been made on the last day of the policy period, provided that the "claim" is for damages because of "bodily injury", or "property damage" or "clean-up costs" arising out of an "environmental impairment incident" "emanating from" and migrating beyond the boundaries of an "insured site", and that such "environmental impairment incident" commenced before the end of the policy period.
   b. All loss of use that results from physical injury to, destruction of or contamination of tangible property shall be deemed to occur at the time of the physical injury that caused it.
   c. All loss of use of tangible property that is not physically injured, destroyed or contaminated, but has been evacuated, or rendered inaccessible because of an "environmental impairment incident" shall be deemed to occur at the time of the "environmental impairment incident" that caused it.
   d. The Extended Reporting Period Endorsement will not reinstate or increase the Limits of Insurance or extend the policy period.

3. We will issue this Endorsement if the first Named Insured shown on the Policy Declarations:
   a. Makes a written request for the Extended Reporting Period which we receive within 30 days after the end of the policy period; and
   b. Promptly pays the additional premium when due.

   The Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due.

4. We will determine the actual premium for the Extended Reporting Period Endorsement in accordance with our rules and rates. In doing so, we may take into account the following:
   a. The exposures insured;
   b. Previous types and amounts of insurance;
   c. Limits of Insurance available under this policy for future payment of damages; and
   d. Other related factors.

5. If we fail to offer to renew this policy at the same rates or with the same form, that will not constitute cancellation or nonrenewal by us.

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EIL 00 001 04 06

SELF INSURED RETENTION ENDORSEMENT

This Endorsement shall not serve to increase our limits of insurance, as described in SECTION V - LIMITS OF INSURANCE.

SCHEDULE

Amount and Basis of Self insured retention

$ Each Environmental Impairment Claim
$ Each Environmental Impairment Incident

Application of Endorsement: (Enter below any limitation on the application of this endorsement. If no limitation is entered, the self insured retention applies to all damages, however caused).

NO LIMITATIONS

In consideration of the payment of premiums, it is hereby agreed that the following changes are incorporated into the policy.

1. Our obligation under the policy to pay compensatory damages, "clean-up costs" or "claim related costs" to you or on your behalf applies only to the amount of compensatory damages, "clean-up costs" or "claim related costs" in excess of any self insured retention amount stated in the Schedule above, and the limits of insurance applicable to this policy will not be reduced by the amount of such self insured retention.

   As a condition precedent to our obligations to provide or continue to provide indemnity, coverage or defense hereunder, the insured, upon receipt of notice of any "claim", "suit", and at our request, shall pay over and deposit with us all or any part of the self insured retention amount as specified in the policy, requested by us, to be applied by us as payment toward any compensatory damages, or "clean-up costs", or "claim related costs" incurred in the handling or settlement of any such "claim" or "suit".

2. The self insured retention amounts stated in the Schedule apply as follows:

   A. **Each Environmental Impairment Claim Basis** - if the self insured retention is on an " each environmental impairment claim " basis, the self insured retention amount applies separately to all compensatory damages, "clean-up costs" and "claim related costs" because of "bodily injury", "property damage" or "clean-up costs" sustained by any one person or organization as the result of any one "environmental impairment incident".

   B. **Each Environmental Impairment Incident Basis** - if the self insured retention is on an " each environmental impairment incident " basis, the self insured retention amount applies to all compensatory damages, "clean-up costs" and "claim related costs" because of "bodily injury", "property damage" or "clean-up costs" as the result of any one "environmental impairment incident" regardless of the number of persons or organizations who sustain compensatory damages because of that "environmental impairment incident".

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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EIL 00 011 05 06

ADDITIONAL INSURED COVERAGE ENDORSEMENT

This Endorsement shall not serve to increase our limits of insurance, as described in SECTION V - LIMITS OF INSURANCE.

In consideration of the payment of premiums, it is hereby agreed that the person or organization specified below is added as an Additional Insured, but solely as respects "claims" for "bodily injury" or "property damage" arising directly out of your ownership, your operations or your negligent use of an "insured site" and subject to all terms, conditions and exclusions contained in the policy. No obligation for defense or indemnity under the policy is provided to any Additional Insured for "claims" or "suits" directly or indirectly "arising from" the status, actions or inaction, including (without limitation) for vicarious, derivative or strict liability of said Additional Insured, its agents, consultants, servants, contractors or subcontractors.

Name of Person or Organization	Address(es)

All other terms, conditions and exclusions under the Policy are applicable to this Endorsement and remain unchanged.

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WAR OR TERRORISM EXCLUSION

This Endorsement modifies insurance provided under the following:

COMMERCIAL ENVIRONMENTAL IMPAIRMENT LIABILTY

A. Exclusion n. under Section III, Exclusions, is replaced by the following:

n. War Or Terrorism

"Bodily injury" or "property damage" arising, directly or indirectly, out of:

War, including undeclared or civil war; or

Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or

"Terrorism", including any action taken in hindering or defending against an actual or expected incident of "terrorism"

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

In the event of any incident of "terrorism" that is not subject to the Terrorism Exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

Multiple incidents of "terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

The following definition is added to **Section II** Definitions:

"Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

Use or threat of force or violence; or

Commission or threat of a dangerous act; or

Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

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ENVIRONMENTAL IMPAIRMENT INCIDENT EXCLUSION

This Endorsement shall not serve to increase our limits of insurance, as described in SECTION V - LIMITS OF INSURANCE.

It is hereby agreed that the following exclusion(s) shall be added to SECTION III, Exclusions:

"Environmental Impairment Incident":

This insurance does not apply to and we shall have no obligation to defend "claims" or "suits" or pay compensatory damages or "claims related costs" "arising from" the "environmental impairment incident" described below:

Environmental Impairment Incident
* Prior Litigation/Pending Litigation

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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EIL 00 400 11 07

MOLD, MILDEW, FUNGUS EXCLUSION ENDORSEMENT

This Endorsement shall not serve to increase our limits of insurance, as described in the **LIMITS OF INSURANCE** section of the policy.

The following exclusion shall be added to and apply to all SECTIONS and coverage parts of the policy.

A This insurance does not apply to:

(1) "Bodily injury" or "property damage" arising out of, relating to or resulting from the actual or alleged existence, exposure, ingestion, inhalation, abatement, testing, monitoring, remediation, "enclosure", decontamination, repair or removal of "mold, mildew or fungus" in any form.

(2) Any loss, cost, expense or damages, whether actual or alleged, arising out of, relating to, or resulting from "mold, mildew or fungus" that arises from any cause whatsoever, whether caused by any act or omission of any insured or any third party, whether caused by chronic water intrusion into the building envelope, whether caused by the presence of water on or in any substance or substrate, whether caused by construction defects, whether caused by action or inaction of any insured or any third party, whether caused by any act of God, or whether caused by any combination of factors.

(3) "Bodily injury" or "property damage" or repair, replacement, remediation, decontamination or removal of any material or building structure or member arising out of the existence, exposure, ingestion, inhalation, abatement, testing, monitoring, "enclosure", "microbiological decontamination", remediation, repair or removal of any contaminant that causes any alleged chemical sensitivity.

(4) "Covered damages" alleged, "arising from", relating to, or resulting from "mold, mildew or fungus".

We have no duty to defend any insured, investigate any "occurrence", offense or "suit" against any insured, settle any claim on behalf of any insured, or indemnify any insured with regard to any "occurrence", offense or "suit" that arises out of any contamination, "bodily injury" or "property damage" caused by or arising out of the existence of "mold, mildew or fungus" in any form whether the "mold, mildew or fungus" is the sole cause, concurrent cause, partial cause, or contributing cause of any damage or injury claimed. If you investigate or defend any such "occurrence", offense or "suit", we have no duty to pay the expenses of the investigation or defense, nor do we have any duty to reimburse you.

B. The following definitions are added to the **DEFINITIONS** section of the policy:

(1) "Enclosure" means those procedures and operations required to construct an airtight, impermeable wall, ceiling or other permanent barrier around surfaces contaminated by a material or substance in order to prevent the discharge, dispersal, release or escape of any part of that material or substance.

(2) "Microbiological decontamination" means those activities, procedures or operations required to clean up, detoxify, dilute, remove or abate microorganisms, fungi, bacteria, allergens and other similar matter.

(3) "Mold, Mildew or Fungus" means any plant-like group that does not produce chlorophyll and derives food either by decomposing organic matter or by parasitic attachment to living organisms or any substance specifically or commonly referred to as mold, mildew or fungus.

(4) "Covered damages" means:

a. monetary awards or settlements of compensatory damages for which the insured becomes legally obligated to pay, but does not include:

1. injunctive or equitable relief;
2. the return of fees or other charges for services rendered; and
3. any fines, including but not limited to civil, administrative or criminal fines, penalties, assessments, punitive damages, exemplary damages, multiplied damages, liquidated damages or damages for delay; and

b. all "claim related costs".

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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INSURED SITE COVERAGE ENDORSEMENT

This Endorsement shall not serve to increase our limits of insurance, as described in SECTION V - LIMITS OF INSURANCE.

In consideration of the payment of premiums, it is hereby agreed that the following location(s) is/are added to the policy as an "insured site(s)":

Insured Site(s):	**Retroactive Date:**

If no retroactive date is indicated, the retroactive date is the effective date of this endorsement.

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged

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LANDFILL EXCLUSION AMENDATORY ENDORSEMENT

This Endorsement shall not serve to increase our limits of insurance, as described in SECTION V - LIMITS OF INSURANCE.

In consideration of the payment of premiums, it is hereby agreed that Exclusion v. Landfill Sites in SECTION III – EXCLUSIONS does not apply to any "insured site" which is scheduled on this policy.

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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GOVERNMENT MANDATED CLEANUP AMENDATORY ENDORSEMENT

This Endorsement shall not serve to increase our limits of insurance, as described in the LIMITS OF INSURANCE section of the policy.

It is agreed that Definition 6. "claim" and Definition 8. "Clean-up costs" of the policy are deleted in their entirety and replaced with the following:

6. "Claim" means any written demand, notice, request for defense, request for indemnity, or other legal or equitable proceeding against any insured by a person, entity or asserted class for damages because of "bodily injury" or "property damage". For "clean-up costs", "claim" means a written demand, notice, request for defense, request for indemnity, or other legal or equitable proceeding against any insured by the government or any political subdivision of the United States of America, or any state thereof, duly acting under the authority of "environmental regulations".

8. "Clean-up costs" means expenses incurred in the removal, detoxification, dilution, neutralization, or remediation of "pollutants" in contaminated soil (including any building or structure thereupon), surfacewater, or groundwater, arising directly out of an "environmental impairment incident" provided such expenses are specifically mandated by court order, the government or any political subdivision of the United States of America, or any state thereof, duly acting under the authority of "environmental regulations". "Clean-up costs" does not include entry, membership or other fees related to gaining entrance to any local, state or federal voluntary cleanup program.

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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TRANSPORTATION COVERAGE ENDORSEMENT

THE COVERAGE AFFORDED UNDER THIS ENDORSEMENT IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS

This Endorsement shall not serve to increase our limits of insurance, as described in the LIMITS OF INSURANCE section of the policy.

A. It is agreed that the coverage afforded by this endorsement shall be subject to limits described as follows:

$	Per Occurrence
$	Aggregate

"Claims" and "claim related costs" paid by us pursuant to this Endorsement shall reduce the Environmental Impairment Aggregate Limit specified in the Declarations of the policy.

B. Notwithstanding the terms of SECTION III, paragraph 1., exclusion l.(Aircraft, Auto, Rolling Stock, or Watercraft) of the policy, but subject to all other terms, conditions and exclusions of the policy, we will pay those sums that the insured becomes legally obligated to pay as damages because of "claims" first made against you and reported to us, in writing, during the policy period or optional extended reporting period, if applicable, arising out of the actual "sudden" and "accidental" discharge, dispersal, release or escape of "pollutants", where such release occurs either while "pollutants" are being "loaded or unloaded" at an "insured site" solely by you onto or from, or while being transported from an "insured site" by you in an "auto" owned by you and operated and driven by your employee and specified in Part E of this endorsement. Provided always that the "bodily injury", "property damage", or "clean-up costs" giving rise to such "claims" occurs prior to the expiration or cancellation date of the policy, whichever is earlier, and subsequent to the Retroactive Date, as set forth in this Endorsement.

For the purposes of this Endorsement, the terms "sudden" and "accidental" shall be defined as follows:

"Accidental" means activity or circumstances that are neither expected nor intended nor foreseeable, but rather, which occur by chance, abruptly or unexpectedly.

"Sudden" means circumstances which happen abruptly without previous notice and which are neither continuous nor repeated, nor which occur over a period of time.

This coverage shall not apply to "bodily injury" or "property damage" "arising from" any "auto" collision with another "auto" caused by the discharge, dispersal, release or escape of "pollutants".

This coverage shall not apply to "bodily injury" or "property damage" "arising from" any "auto" collision with an object caused by the discharge, dispersal, release or escape of "pollutants".

This coverage shall not apply to "bodily injury" or "property damage" "arising from" any "auto" overturn caused by the discharge, dispersal, release or escape of "pollutants".

As a condition precedent to coverage hereunder, the insured shall comply with all laws and regulations applicable to the transportation of "pollutants", including but not limited to those issued by the Federal Department of Transportation, the Environmental Protection Agency, or any State Department of Transportation or governmental unit having jurisdiction over such activity.

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Nothing contained in this Endorsement shall be construed to provide coverage for the disposal of "pollutants" or for any liability, "claims", "suits", or damages incurred or suffered by the insured "arising from" the disposal of "pollutants", including, but not limited to liability under or "arising from" the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or any other similar Superfund law or regulation.

C. It is agreed that the coverage afforded under this Endorsement shall be subject to a Self Insured Retention described as follows:

SCHEDULE	
Amount and Basis of Self-Insured Retention	
$	Per claim

1. Our obligation under the policy to pay damages to you or on your behalf applies only to the amount of damages in excess of any self-insured retention amount stated in the Schedule above as applicable to such coverages. The limits of insurance applicable to such coverages will not be reduced by the amount of such self-insured retention. Bankruptcy, insolvency, or inability to pay the self-insured retention by any insured shall not increase our obligation under the policy.

   The self-insured retention shall be "borne solely by an insured" seeking coverage. "Borne solely by an insured" means that the insured seeking coverage must satisfy or pay the full amount of the self-insured retention directly, without reimbursement or contribution from any other source, including subcontractors, other insureds, other insurers, reinsurers, or any other persons or entities. In particular, no insured may apply monies paid on its behalf by others to satisfy its self-insured retention under this policy. Compliance with this clause is a condition precedent for coverage under the policy. In the event of the failure of the insured seeking coverage under this policy to comply with this clause, no loss, cost or expense shall be payable by the Company.

   The insured will exercise utmost good faith, diligence and prudence to accept any reasonable offer of settlement within the self-insured retention. You may not settle any claim or "suit" which exceeds the applicable self-insured retention amount indicated in the Schedule of this endorsement without our written consent to do so. Alternatively, at our sole election, the insured, at our request, shall pay over and deposit with us the self insured retention amount as specified, to be applied by us as payment toward any damages, "defense costs, " or expenses incurred by us in the handling or settlement of any such incident, claim, offense, "occurrence" or "suit". If we make such an election, we shall have the right to negotiate a reasonable settlement which is more than, equal to, or less than the self-insured retention amount (and will return the balance to you, if any, of any unused self-insured retention). The payment is due within thirty (30) days of our request. The Self Insured Retention will be applied by us as payment toward any "covered damages" incurred in the handling or settlement of any such "claim" or "suit".

2. The self-insured retention amount stated in the Schedule applies separately to each "claim" and separately to all "bodily injury", "property damage" or "clean-up costs" sustained by any one person or organization as the result of any one incident.

D. It is agreed that the coverage afforded by this endorsement shall be subject to a retroactive date described as follows:

RETROACTIVE DATE:	

If no retroactive date is indicated, the retroactive date is the effective date of this endorsement.

E. It is agreed that the coverage afforded by this endorsement applies solely to the "autos" described as follows:

Covered "Autos"

If no "autos" are specified, coverage applies to all owned "autos" subject to the terms, conditions, and exclusions of this endorsement.

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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TRANSPORTATION POLLUTION COVERAGE
FOR INCIDENTAL TRANSPORTATION BY THIRD-PARTY CARRIERS

THE COVERAGE AFFORDED UNDER THIS ENDORSEMENT IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS.

This Endorsement shall not serve to increase our limits of insurance, as described in the LIMITS OF INSURANCE section of the policy.

It is agreed that the coverage afforded by this endorsement shall be subject to limits described as follows:

$	Each Environmental Impairment Incident
$	Environmental Impairment Aggregate

The limit of insurance stated above is included within and does not increase the Limits of Insurance stated in the LIMITS OF LIABILITY as shown on the Declarations Page of this policy:

"Claims" and "claim related costs" paid by us pursuant to this Endorsement shall reduce the Environmental Impairment Aggregate Limit specified in the Declarations of the policy.

Upon exhaustion of the Environmental Impairment Aggregate Limit, we shall have no obligation to make any further payments to or on behalf of the insured for defense, indemnification or otherwise.

"Claim related costs" will reduce the limits of insurance

It is agreed that, with respect to Section III (Exclusions) of the COMMERCIAL ENVIRONMENTAL IMPAIRMENT LIABILITY Coverage Form, Exclusion I. Aircraft, Auto, Rolling Stock or Watercraft is deleted in its entirety and replaced with the following

This insurance does not apply to any "claim":

I. Aircraft, Auto, Rolling Stock or Watercraft

"Arising from" the ownership, maintenance, use or entrustment to others of any aircraft, "auto", rolling stock or watercraft. Use includes operation and "loading or unloading".

This exclusion does not apply to:

1) The "loading or unloading" of a watercraft, aircraft, "auto" or rolling stock of any kind whether owned, operated, rented, or loaned to the "insured" or not; within the boundaries of an "insured site"; and,

2) Any "environmental impairment incident" arising out of the transportation of materials listed in the following schedule by a third-party carrier on behalf of the named insured via "auto", aircraft, watercraft, or rolling stock of any kind, beyond the boundaries of an "insured site" and during the policy period shown on the Declarations Page, provided the following conditions are met:

   a) Third-party carrier must have "auto" (or other coverage appropriate to mode of transportation) liability limits of at least $1,000,000 in place with a carrier rated by A.M. BEST as an "A VII" or better. If the third party carrier has limits greater than those specified above, the higher limits will replace the aforementioned limits.

   b) The named insured must be added as an additional insured with respect to transportation on the third-party carrier's "auto" (or other coverage appropriate to mode of transportation) coverage.

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c) The third party carrier and/or Insured shall comply with all laws and regulations applicable to the transportation of "pollutants", including but not limited to those issued by the Federal Department of Transportation, the Environmental Protection Agency, or any State Department of Transportation or governmental unit having jurisdiction over such activity.

Schedule of Materials Transported by Third Party Carrier	
Name of Third Party Carrier	Material Transported

The following exclusions shall apply to the coverage afforded under this endorsement:

This Policy shall not apply to "claims":

1) Based upon or arising out of "property damage" to any "auto", aircraft, watercraft, or rolling stock or conveyance of any kind.

2) Based upon or arising out of "claims" made by a third-party carrier, its agents or employees.

3) Based upon or arising out of any "environmental impairment incident" commencing prior to transportation or after transportation has been completed.

4) Based upon or arising out of the delivery of any waste or any product or materials into the wrong receptacle or to the wrong address, or the delivery of one type of waste, product, or material in error for another.

(5) Based upon or arising out of any liability, "claims", "suits", or damages incurred or suffered by the insured "arising from" the disposal of "pollutants", including, but not limited to liability under or "arising from" the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or any other similar Superfund law or regulation.

Transportation will be deemed completed when one of the following occurs:
1) Cargo is moved to the place where the third-party carrier finally delivers it; or
2) Cargo is moved to the final destination by the third-party carrier.

It is agreed that the coverage afforded under this Endorsement shall be subject to a Self Insured Retention described as follows:

SCHEDULE	
Amount and Basis of Self-Insured Retention	
$	Each Environmental Impairment Incident

a. Our obligation under the policy to pay damage to you or on your behalf applies only to the amount of damages in excess of any self-insured retention amount stated in the Schedule above as applicable to such coverages. The limits of insurance applicable to such coverages will not be reduced by the amount of such self-insured retention. Bankruptcy, insolvency, or inability to pay the self-insured retention by any insured shall not increase our obligation under the policy.

The self-insured retention shall be "borne solely by an insured" seeking coverage. "Borne solely by an insured" means that the insured seeking coverage must satisfy or pay the full amount of the self-insured retention directly, without reimbursement or contribution from any other source, including subcontractors, other insureds, other insurers, reinsurers, or any other persons or entities. In particular, no insured may apply monies paid on its behalf by others to satisfy its self-insured retention under this policy. Compliance with this clause is a condition precedent for coverage under the policy. In the event of the failure of the insured seeking coverage under this policy to comply with this clause, no loss, cost or expense shall be payable by the Company.

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The insured will exercise utmost good faith, diligence and prudence to accept any reasonable offer of settlement within the self-insured retention. You may not settle any claim or "suit" which exceeds the applicable self-insured retention amount indicated in the Schedule of this endorsement without our written consent to do so. Alternatively, at our sole election, the insured, at our request, shall pay over and deposit with us the self insured retention amount as specified, to be applied by us as payment toward any damages, "defense costs," or expenses incurred by us in the handling or settlement of any such incident, claim, offense, "occurrence" or "suit". If we make such an election, we shall have the right to negotiate a reasonable settlement which is more than, equal to, or less than the self-insured retention amount (and will return the balance to you, if any, of any unused self-insured retention). The payment is due within thirty (30) days of our request. The Self Insured Retention will be applied by us as payment toward any damages" incurred in the handling or settlement of any such "claim" or "suit".

b. Per Claim Basis - the self-insured retention amount applies separately to all damages and separately to each "claim" because of "bodily injury" or "property damage" sustained by any one person or organization as the result of any one "microbiological decontamination" incident.

It is agreed that the coverage afforded by this endorsement shall be subject to a retroactive date described as follows:

RETROACTIVE DATE:	

If no retroactive date is indicated, the retroactive date is the effective date of this endorsement.

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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INSTITUTIONAL SAFEGUARDS ENDORSEMENT

This Endorsement shall not serve to increase our limits of insurance, as described in the LIMITS OF INSURANCE section of the policy.

It is agreed that the following exclusion is added to the EXCLUSIONS section of the policy:

Institutional Safeguards
"Arising from" any "environmental impairment incident" as a result of disturbing, removing, demolishing, modifying or failure to maintain any existing or future engineering barrier, structure, building, treatment system, or controls to preserve or achieve either regulatory closure or regulatory compliance.

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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Manuscript Endorsement Wording

“Material Change In Use” and “Cross Suits Exclusion”

Cross Suits

Or claimed by any of the following:

a. any related business enterprise which is operated, managed or owned, in whole or in part, by the insured, or
b. a parent company of the insured, or
c. any affiliated or subsidiary company of the insured; or
d. any Named Insured against another Named Insured.

Material Change In Use

Any change in use of, or operations at any “insured site” which is of such a type or magnitude as to increase the likelihood or severity of an “environmental impairment incident” or claim.