

This is a claims-made coverage. Please read this entire form carefully. Words and phrases in italics have special meaning. This policy only applies to pollution conditions discovered, or claims first made and reported to the insurance company (hereinafter the Company) listed in the Declarations.

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The Company in consideration of the payment of the premium and in reliance upon all representations and warranties contained in the application and made a part of this Policy, including any addendum or addenda, and subject to all provisions of this Policy subsequently set forth, agrees with the *Named Insured* as follows:

I. INSURING AGREEMENTS

This section describes the Coverages afforded under this Storage Tank Environmental Impairment Liability (STEIL) policy. This policy provides the following three coverage parts:

- Coverage A -Third Party *Property Damage* and *Bodily Injury*
- Coverage B - Onsite Clean-up of *Pollution Conditions*
- Coverage C – *Defense Expenses*

Details of each coverage part are described in this section.

Coverage A - Third Party Property Damage and Bodily Injury

The Company shall pay on behalf of the *Insured* those sums that the *Insured* becomes legally obligated to pay as *Damages* in excess of the Self-Insured Retention and up to the Limits of Liability resulting from:

- Claims for Bodily Injury arising from Pollution Conditions
- Claims for Property Damage arising from Pollution Conditions

This insurance only applies to *Claims* that result from:

- *Pollution Conditions* on, at, under or emanating from an *Underground Storage Tank* or *Above Ground Storage Tank* as shown on the Scheduled Storage Tank and Location Endorsement.
- *Pollution Conditions* that are reported to the Company after the Retroactive Date, if any, and during the *Policy Period* or the Automatic or Extended Reporting Period.

A Claim under this coverage part must be reported to the Company in accordance with Section VII. Conditions.

Coverage B – Onsite Clean-up of Pollution Conditions

The Company shall pay on behalf of the *Insured Onsite Clean-up Costs* in excess of the Self-Insured Retention and up to the Limits of Liability. This insurance only applies to a *Claim* that results from:

- *Pollution Conditions* on, at, under or emanating from an *Underground Storage Tank* or *Above Ground Storage Tank* as shown on the Scheduled Storage Tank and Location Endorsement that are reported to the Company after the Retroactive Date, if any, and during the *Policy Period* or the Automatic or Extended Reporting Period.

A *Claim* under this coverage part must be reported to the Company in accordance with Section VII. Conditions.

Coverage C –Defense Expense

The Company shall pay on behalf of the *Insured, Claims* for *Defense Expenses* in excess of the Self-Insured Retention and up to the Limits of Liability. The Company has the right and the duty to defend the *Insured* against any *Claim* in connection with a *Pollution Condition*. The Company will have no duty to defend the *Insured* against any *Claim* to which this policy does not apply.

I. DEFINITIONS

Words and phrases in italics in this policy have the following special meaning.

Above Ground Storage Tank

The term *Above Ground Storage Tank* means any one or combination of tanks, as listed on the Scheduled Storage Tank & Location Endorsement, their associated piping and dispensers.

Auto

The term *Auto* means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. *Auto* does not include *Mobile Equipment*. However, self-propelled vehicles with the following types of permanently attached equipment are not *Mobile Equipment* but will be considered *Autos*:

- Equipment designed primarily for snow removal, road maintenance other than construction or resurfacing, or street cleaning;
- Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

Bodily Injury

The term *Bodily Injury* means, sickness, disease, mental anguish or shock sustained by any person, including death, caused by a *Pollution Condition*.

Carrier

The term *Carrier* means a person or entity, other than the *Insured* or any subsidiary or affiliate company of the *Insured*, engaged in the business of transporting property for hire by *Auto*, *Watercraft* or rolling stock.

Claim(s)

The term *Claim(s)* means written notice to an *Insured* from any party intending to hold any *Insured* responsible for *Pollution Conditions* emanating from an *Underground Storage Tank* or *Above Ground Storage Tank* as shown on the Scheduled Storage Tank and Location Endorsement.

Corrective Action

The term *Corrective Action* means Actions to investigate, test, sample, monitor, cleanup remove, remediate, treat, dispose of, neutralize or immobilize *Pollutants* present or suspected to be present in soil, surface water, groundwater, or other media, and the preparation of customary reports related thereto.

Defense Expenses

The term *Defense Expenses* means those legal costs, charges and expenses incurred in the investigation, adjustment or defense of *Claims*, or in connection with the payment of any *Pollution Condition*. *Defense Expenses* does not include salary changes of regular employees or officials of the Company, fees and expenses of supervisory counsel retained by the Company, or the time and expense incurred by the *Insured* in assisting in the investigation or resolving a

Claim or in connection with *Onsite Clean up Costs*, including but not limited to the cost of the *Insured's* in-house counsel.

Hazardous Properties

Includes radioactive, toxic or explosive properties.

Insured(s)

The term *Insured(s)* means the following:

- The *Named Insured*; and
- A director or officer of the *Named Insured*, but only while acting in their respective capacity as such; and
- An employee of the *Named Insured*, but only with respect to services performed or failed to have been performed on behalf of the *Named Insured* in the employee's capacity as such; and
- A former director, officer or employee of the *Named Insured* but only with respect to services performed or failed to have been performed on behalf of the *Named Insured* prior to the termination of that respective capacity; and
- The current spouse of any current owner, director or officer of the *Named Insured*; but solely with respect to the liability of each *Insured* as otherwise covered by this Policy; and
- The heirs, executors, administrators, and legal representatives of each *Insured* in the event of death, incapacity or bankruptcy, but solely with respect to the liability of each *Insured* as otherwise covered by this Policy; and,
- Any person or organization while acting as the *Insured's* real estate manager.

No person or organization is an *Insured* with respect to the conduct of any current or past partnership, joint venture or any other entity that is not shown as a *Named Insured* in the Declarations.

Mobile Equipment

The term *Mobile Equipment* means any of the following types of land vehicles, including any attached machinery or equipment:

- Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads.
- Vehicles maintained for use solely on or next to premises you own or rent.
- Vehicles that travel on crawler treads.
- Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - Power cranes, shovels, loaders, diggers or drills; or
 - Road construction or resurfacing equipment such as graders, scrapers or rollers.
- Vehicles not described above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - Cherry pickers and similar devices used to raise or lower workers.
- Vehicles not described above maintained primarily for purposes other than the transportation of persons or cargo.

Named Insured

The term *Named Insured* means the proprietor, partners, or organization identified as the *Named Insured* in the Declarations.

Nuclear Facility

The term *Nuclear Facility* means:

- Any *Nuclear Reactor*;
 - Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing *Spent Fuel*, or (3) handling, processing or packaging *Waste*;
 - Any equipment w 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;

- Any structure, basin, excavation, premises or place prepared or used for the 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;

Nuclear Material

The term *Nuclear Material* means *Source Material*, *Special Nuclear Material*, or *By-product Material*.

Nuclear Reactor

The term *Nuclear Reactor* means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to condition a critical mass of fissionable material.

Onsite Cleanup Costs

The term *Onsite Cleanup Costs* means those costs incurred in performing a *Corrective Action* at a *Scheduled Location* because of a *Pollution Conditions* to the extent required by Federal, State, local or Provincial Law, regulation or Statutes promulgated to address *Pollution Conditions*.

Policy Period

The term *Policy Period* means the period set forth in the Declarations, or any shorter period arising as a result of cancellation, or termination.

Pollutant(s)

The term *Pollutant(s)* means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, toxic chemicals, liquids or gases, other irritants or contaminants, or any discarded materials of any kind.

Pollution Condition(s)

The term *Pollution Condition(s)* means the presence or release of *Pollutants* at, upon, within, under, or emanating from an *Underground Storage Tank* or *Above*

Ground Storage Tank as shown on the Scheduled Storage Tank and Location Endorsement of which the *Insured* was not aware at the time this Policy inception, unless specifically scheduled on the policy by endorsement, and is first reported to the Company during the term of this Policy.

Property Damage

The term *Property Damage* means the following:

- Physical injury to or destruction of tangible property which is not owned, rented, or otherwise occupied by any *Insured* including the resulting loss of use thereof; or
- Loss of use of tangible property which is not owned, rented, or otherwise occupied by any *Insured* that has not been physically injured or destroyed; provided that such physical injury or destruction, clean up costs and/or loss of use are caused by a *Pollution Conditions*; or
- Diminished 3rd party property value.

Scheduled Location

The term *Scheduled Location* means the real property shown in the Scheduled Storage Tank and Location Endorsement and described in the application.

Source Material, Special Nuclear Material, and By-product Material

The terms *Source Material*, *Special Nuclear Material*, and *By-product Material* have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Spent Fuel

The term *Spent Fuel* means any element or fuel component, solid or liquid, which has been used or exposed to radiation in a *Nuclear Reactor*.

Underground Storage Tank

The term *Underground Storage Tank (UST)* means any *UST* on the Scheduled Storage Tank & Location Endorsement (including underground pipes connected thereto) that is used to contain an accumulation of regulated substances, the volume of which is 10 percent or more beneath the ground. Unless specifically endorsed onto this policy, this term does not include any:

- Farm or residential tank; or,
- Tank used for storing heating oil for consumptive use on the premises where stored; or,
- Septic tank; or,
- Pipeline facility (including gathering lines) regulated under:
 - The natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1671, *et seq.*), or
 - The hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2001, *et seq.*), or
 - Which is an intrastate pipeline facility regulated under state laws comparable to the provisions of the law referred to in paragraph (d)(1) or (d)(2) of this definition;
- Surface impoundment, pit, pond or lagoon; or,
- Storm-water or wastewater collection system; or,
- Flow-through process tank; or,
- Liquid trap or associated gathering lines directly related to oil or gas production and gathering operations; or,
- Storage tank situated in an underground area (such as a basement, cellar, mine working, drift, shaft, or tunnel) if the storage tank is situated upon or above the surface of the floor.

Waste

The term *Waste* means any waste material;

- Containing *By-product Material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *Source Material* content, and
- Resulting from the operation by any person or organization of any *Nuclear Facility* included under the first two paragraphs of the definition of *Nuclear Facility*.

Watercraft

The term *Watercraft* means any vessel or other contrivance used or capable of being used as a means of transportation upon water, whether self-propelled or otherwise, including barges and tugs.

III. EXCLUSIONS

Applicable to Coverages A, B, and C, this policy does not apply to any *Claim*:

Known Conditions

Arising out of or related to any *Pollution Conditions* existing prior to the inception of this policy, and reported to any officer, director, partner, or other employee responsible for environmental affairs of the *Insured*. This exclusion does not apply to *Pollution Conditions* disclosed to the Company prior to the inception of this policy and specifically listed by endorsement; or,

Contractual Liability

Based upon or arising out of the liability of others assumed by an *Insured* under any contract or agreement, unless the liability of such *Insured* would exist in the absence of a contract or agreement; or,

Damages

This policy does not apply to punitive damages, exemplary damages, multiplied damages, fines or penalties; or,

Nuclear Energy Liability

This insurance does not apply:

- Under any Liability Coverage, to *Bodily Injury* or *Property Damage*:
 - With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - Resulting from the *Hazardous Properties of Nuclear Material* and with respect to which (a) any person or organization is required to maintain

financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the *Insured*, or had this policy not been issued would be, entitles to indemnity from the United States of America, or any agency thereof, under any agreement it entered into by the United States of America, or any agency thereof, with any person or organization.

- Under any Medical Payments coverage, to expenses incurred with respect to *Bodily Injury* resulting from the *Hazardous Properties of Nuclear Material* and arising out of the operation of a *Nuclear Facility* by any person or organization.
- Under any Liability Coverage, to *Bodily Injury* or *Property Damage* resulting from the *Hazardous Properties of Nuclear Material*, if:
 - The *Nuclear Material* (a) Is at any *Nuclear Facility* owned by, or operated by or on behalf of an *Insured* or (b) has been discharged or dispersed therefrom:
 - The *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*; or
 - The *Bodily Injury* or *Property Damage* 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 any *Nuclear Facility* but if such, facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *Property Damage* to such *Nuclear Facility* and any property there at.

As used in this exclusion:

- “Property damage” includes all forms of radioactive contamination of property.

Awards or Relief

This policy does not apply to non-monetary awards or relief, including but not limited to specific performance or injunctive relief of any kind, and this policy will not apply to *Claims* seeking only non-monetary awards or relief; or,

Regulatory Non-Compliance

Any *Claim* to the extent arising from any *Insured's* intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint or notice of violation, notice letter, executive order, or instruction of any governmental agency or body after the date of inception of this Policy, or arising from the *Named Insured's* intentional discharge, release, or disposal of Pollutants into the environment after the date of inception of this Policy; or

Illegal Acts

Any *Claim* to the extent arising from any actually or alleged illegal, fraudulent, or criminal, act by any *Insured*; or,

Automobiles

Any *Claim* arising out of the ownership, maintenance, use, operation, loading or unloading of any *Auto*, aircraft, *Watercraft* or rolling stock; except when on or at a *Scheduled Location*; or,

Workers Compensation

Any *Claim* arising out of any obligation of the *Insured* under a workers compensation, disability benefits, unemployment compensation, employee benefits, pension sharing, ERISA law or any similar law; or,

Course of Employment

Any *Claim* for *Bodily Injury* to an employee of the *Insured* arising out of and in the course of employment by the *Insured* or performing duties related to the conduct of the *Insured's* business; or the spouse, child, parent, brother or sister of the employee as a consequence of the *Bodily Injury*; or,

Naturally Occurring Substances

Any *Claim* arising from the existence of naturally occurring substances on, upon, within or under a *Scheduled Location*; or,

Acts of War

Any *Claim* arising from the consequence of war, invasion, hostilities, civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion; or,

Asbestos

Any *Claim* arising out of the existence of asbestos products, fibers, or asbestos dust unless specifically endorsed onto this Policy; or,

Mold, Mildew, and Fungus

Any *Claim* arising directly or indirectly out of, or in concurrence with actual, alleged or threatened existence, growth, spread, proliferation, discharge, dispersal, seepage, release or escape of any form of fungus, including mold or mildew, and any mycotoxins, spore, scents of byproducts produced or released by fungi.

Lead-Based Paint

Any *Claim* arising out of the existence, required removal or abatement of lead paint unless specifically endorsed onto this Policy; or,

Property Transfer

Any *Claim* that occurs subsequent to the time the *Named Insured* has sold, given away, abandoned or condemned a *Scheduled Location* unless specifically endorsed onto this Policy.

IV. LIMITS OF INSURANCE

The limits of this insurance are presented in the following section on maximum limits of liability and separate and specific limits of liability.

Maximum Limits Of Liability

The Company's maximum liability hereunder shall not exceed the separate limits for Third Party *Bodily Injury* and *Property Damages, Onsite Clean Up Costs,* and *Defense Expense* specified in the Declarations, irrespective of any of the following:

- The number of *Claims* made; or
- The number of persons or organizations making claims; or
- The number of persons covered hereunder; or
- The number of *Pollution Conditions* actual or alleged; or
- The number of times *Onsite Clean Up Costs* are incurred.

Limits Of Liability

As specified in the Declarations:

As specified in the Maximum Limits of Liability and in the Declarations:

- The Single Pollution Incident Limit amount shown in the Declarations is the maximum amount the Company will pay under all Coverage Parts combined that form a part of this Policy that arise out of any single *Claim* due to a *Pollution Condition*;
- The General Aggregate Limit amount shown in the Declarations is the maximum amount the Company will pay under all Coverage Parts combined that form a part of this Policy that arise out of all *Claims* due to *Pollution Conditions*;

If this Policy and any other policy providing coverage issued by the Company or any affiliate company apply to the same *Pollution Conditions* or *Onsite Clean Up Costs* or series of related *Pollution Conditions* or *Onsite Clean Up Costs* the aggregate maximum Limit of Liability payable under all of the policies combined shall be limited to the amount of the highest applicable Limit of Liability payable under any one of the policies. Related *Pollution Conditions* or *Onsite Clean Up Costs* are those which arise out of, are based on, relate to or are in consequence of, the same facts, circumstances or situations.

The Limits of Insurance shown in the Declarations shall apply in excess of the Self Insured Retention amount shown in the Declarations.

V. SELF-INSURED RETENTION

The Company's obligation hereunder to pay or indemnify the *Insured* shall only be in excess of the Self-Insured Retention Amount specified in the Declarations. For the purpose of applying the Self-Insured Retention, one or more *Claims* arising from one *Pollution Conditions* shall be considered a single *Claim*.

The Self Insured Retention amount is to be borne by the *Insured* and is not to be insured by the Company unless specifically endorsed on this policy.

VI. EXTENDED REPORTING PERIOD

The following section describes the automatic and extended reporting period provisions of the Storage Tank Environmental Impairment Liability policy.

Automatic Extended Reporting Period

The *Insured* is entitled to an Automatic Extended Reporting Period (AERP) for no additional premium in the event of termination of this policy by cancellation or non-renewal. The AERP shall apply to *Claims* first made against the Insured during the sixty (60) days immediately following the effective date of such cancellation or non-renewal, but only for *Pollution Conditions* which commenced prior to the termination of the policy and after the retroactive date, if any. The AERP does not apply where:

- *Pollution Conditions* are discovered after the termination date; or
- The policy was cancelled due to non-payment of premium or fraudulent acts; or
- The *Insured* purchases other insurance to replace the insurance covered under this Policy.

Optional Extended Reporting Period

The Insured shall be entitled to purchase an Optional Extended Reporting Period (OERP) upon cancellation or non-renewal of the Policy subject to the following terms and conditions:

- The Insured makes a written request for an OERP which the Company receives within thirty (30) days after termination of this policy; and
- Pays the Company an additional premium charge determined by the Company within thirty (30) days of termination of coverage. Such additional premium charge may not exceed 200% of the policy premium stated in the Declarations; and
- The maximum OERP is thirty-six (36) months from termination of coverage applicable to any Scheduled Location; and

The OERP does not apply where:

- *Pollution Conditions* are discovered after the termination date; or
- The policy was cancelled due to non-payment of premium or fraudulent acts; or
- The *Insured* purchases other insurance to replace the insurance covered under this Policy.

The AERP will be merged into the OERP and is not in addition to this period.

VII. CONDITIONS

This section identifies conditions of this insurance.

Notice Of Claim

In the event of a *Claim* or any *Insured's* knowledge of circumstances which could reasonably be expected to give rise to a *Claim*, the *Named Insured* shall have the duty to provide written notice to the Company as soon as practicable, but no later than sixty (60) days to the end of the *Policy Period*.

When a *Claim* or circumstance requires an *Insured* to undertake mitigation efforts as described in Section VII., Conditions, Mitigation, the *Named Insured* must provide written notice to the Company within ten (10) days of first undertaking the mitigation effort.

This written notice shall be given whether or not the *Named Insured* believes that the *Claim*, or incident giving rise to the *Insured's* knowledge, will result in a demand that falls under, or in excess of, the Self-Insured Retention.

Written notice shall be given to the insurance company shown in the Declarations, in care of:

Hudson Insurance Group
300 Stamford Place
Stamford, CT 06902
Fax: 646-216-3787
24 hour reporting: 866-546-3981

Such written notice must contain complete details, including, but not limited to, the exact date the *Claim* was made, location, circumstances giving rise to such *Claim*, the name of all Claimants and a full description of the nature and scope of the allegations. These duties of the *Insured* hereunder shall be non-delegable.

Cooperation And Assistance Of The Insured

Each *Insured* shall have the duty to fully cooperate with and assist the Company with respect to the investigation, defense, settlement, arbitration or appeal of any *Claim*. No *Insured* shall be indemnified hereunder for loss of earnings incurred in such cooperation or assistance, except as provided in Coverage C, Defense Expense, nor shall such loss of earnings apply towards the satisfaction of the Self-Insured Retention. In no event shall this paragraph be deemed to require the *Insured* to share documents or information in a manner that would result in the waiver of any legally sanctioned privilege.

Actions Prejudicial To The Company

In the event of a *Claim*, no *Insured* shall undertake any of the following actions, without the Company's prior, written consent:

- engage counsel to provide legal representation; or
- assume any obligation, other than the reasonable efforts required to satisfy the duty to mitigate *Onsite Clean Up Costs* as provided in Section VI., Conditions, Paragraph G., Mitigation; or
- forgive, reduce in amount or otherwise compromise any compensation owed or allegedly owed the *Named Insured*; or
- admit, or in any manner acknowledge liability; or
- effectuate or attempt to effectuate settlement, including, but not limited to, entering into a consent decree involving the assignment of any *Insured's* interest under this Policy.

Any of the foregoing actions by any *Insured* shall be deemed to materially prejudice the Company's rights.

Subrogation

If the Company pays an amount under Coverage C, Defense Expense, or any combination thereof, it shall be subrogated to all of each *Insured's* rights of recovery against any person, firm or organization. All *Insureds* shall execute and deliver instruments and papers and do whatever else is reasonably necessary to secure such rights. After the date hereof, no *Insured* shall waive or prejudice such rights either prior to or subsequent to any *Claim*.

Named Insured As Agent

The *Named Insured* specified in the Declarations shall be deemed agent of each *Insured* with respect to all matters involving this Policy, however, the Company shall have the right to seek indemnification from any *Insured* or any other person who may be legally liable for the debts of the *Named Insured*.

Acceptance

By acceptance of this Policy, the *Named Insured* hereby confirms that all provisions hereof, including all endorsements and the application attached hereto and made a part of this Policy, embody all agreements existing between the *Named Insured* and the Company and supersede any prior agreements, whether expressed or implied.

Assignment

This policy may be assigned only with the prior written consent of the Company. Such written consent shall not be unreasonably withheld or delayed by the Company.

Mitigation

The *Named Insured* shall make all reasonable efforts to abate, stop, prevent, or reduce the *Damages* or *Onsite Clean Up Costs* caused by any *Pollution Conditions*. It is agreed that these efforts shall commence immediately upon discovery or notice of the *Pollution Conditions* by any *Insured*. These efforts must include mitigating, alleviating or otherwise limiting the *Damages* or *Onsite Clean Up Costs* which could reasonably be expected to result from the *Pollution Conditions*. Such efforts must be undertaken even in the absence of a *Claim*. Under no circumstances shall notification by the *Named Insured* to a governmental entity with jurisdiction over *Pollutants* at a *Scheduled Location* be considered a violation of the *Insured's* duties under this provision.

No Action Against Company

No action shall lie against the Company unless, as a condition precedent thereto, each *Insured* has fully complied with all the provisions of the Policy, or until the amount of the *Named Insured's* obligation to pay has been finally determined either by written agreement of the *Named Insured*, the Claimant and the Company or by final judgment against the *Named Insured* after the actual trial of the issues and the period of time to appeal has elapsed without an appeal having

been taken or, if an appeal has been taken, then until after such appeal has been determined.

Changes

No provision of this Policy may be amended, waived or otherwise changed, except by endorsement hereto and the written agreement of the *Named Insured* and the Company.

Cancellation

The *Named Insured* may cancel this Policy by mailing to the Company written notice stating when thereafter such cancellation shall become effective. The Company may cancel this Policy by mailing to the *Named Insured*, at the mailing address specified the Declarations, written notice stating when not less than thirty (30) days thereafter such cancellation shall become effective, except in the event of the *Named Insured's* non-payment of premium, not less than ten (10) days advance notice of cancellation shall be given. The mailing of notice as aforesaid, shall be sufficient proof of either party's intent to cancel. The effective date of cancellation specified in such notice shall terminate this *Policy Period*. Delivery of such notice shall be equivalent to mailing.

If the *Named Insured* cancels, the earned premium shall be computed in accordance with the customary short rate table. If the Company cancels, the earned premium shall be computed pro rata. The Company will tender any return premium subject to retaining a minimum earned premium equal to 25% of the amount specified in the Declarations unless modified by endorsement. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable thereafter, but tender of the unearned premium or return of this Policy, shall not be conditions precedent to cancellation hereunder.

Inspection And Audit

The Company shall be permitted but not obligated to inspect on a continuing basis the *Scheduled Locations*, at any time. Neither the Company's right to make inspections nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the *Insured* or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation. The Company shall not unreasonably interfere with the *Insured's* normal business operations and shall indemnify, defend, and hold the *Insured* harmless from any

Damages caused by the gross negligence or wilful misconduct of the Company when undertaking an inspection and audit undertaken pursuant to this paragraph.

Additional Premiums

If, during this *Policy Period*, an increase in the risk or hazards covered hereunder occurs, the Company shall have the right to charge the appropriate additional premium.

Nonrenewal

The Company may non-renew this Policy by mailing or delivering to the *Named Insured* at the address stated on the Declarations Page written notice of nonrenewal at least 60 days before the expiration date of this Policy. The offer of renewal policy terms, conditions, or premium amount different than those in effect prior to renewal does not constitute non-renewal.

Application Is Incorporated Into, And Is Part Of Policy

The *Named Insured* acknowledges and agrees that:

- The warranties and representations contained in the Application for this Policy are true, correct and complete; and
- The Company issued this Policy in specific reliance upon the representations contained in the Application; and
- The Application, along with the Policy Declarations Page, is incorporated into, and is part of, this Policy.

Other Insurance

If any part of either Third Party *Bodily Injury and Property Damages, Onsite Clean Up Costs, and Defense Expenses* is insured under this Policy and any other current, prior or subsequent Policy, this Policy shall provide coverage for such Third Party *Bodily Injury and Property Damages, Onsite Clean Up Costs, and Defense Expenses* on a pro rata basis with such other Policy according to the applicable Limits of Liability of this Policy and such other Policy.

Separation Of Insured

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the *Named Insured*, this insurance applies:

- As if each *Named Insured* were the only *Named Insured* and
- Separately to each *Insured* against whom a *Claim* is made.

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