GERLING 509/DL 191996 10/1/96 - 10/1/97

N21404

No. 509/DL191996

COMPANY

POLICY

Insured: MILLENNIUM CHEMICALS INC.

Expiry Date: 1st October 1997

LIABILITY – UMBRELLA
MILLENNIUM
509/DL191996

12/31/97
GERLING

COMPANY POLICY

IN CONSIDERATION of the Insured named in the Schedule hereto having paid the premium set forth in the said Schedule to the Insurers who have hereunto subscribed their Names (hereinafter referred to as "the Insurers")

THE INSURERS HEREBY AGREE for the proportion set forth herein to indemnify the Insured or the Insured's Executors, Administrators and Assigns against Loss as more fully set forth in the attached wording and any amendments which are endorsed hereon during the period of Insurance stated in the said Schedule or during any subsequent period as may be mutually agreed upon between the Insured and the Insurers

PROVIDED that the liability of the Insurers shall not exceed the Sum Insured expressed in the said Schedule.

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited.

IN WITNESS WHEREOF I, being a representative of the Insurers and authorised by the said Insurers to sign this Policy on their behalf, have hereunto subscribed my name this 12th day of December One Thousand nine hundred and ninety seven

GERLING - KONZERN
ALLGEMEINE VERSICHERUNGS-AKTIENGESELLSCHAFT
i.V. [illegible]

S.R.1. (WDG)

GLD052842

0049-GLD-000052842

The Insurers	Proportion	Reference Numbers
Gerling-Konzern Allgemeine Versicherungs-Aktiengesellschaft	100.00%	99/500137/01

The proportion signed above is a percentage of 80% of the Limits of Indemnity

Date: 2nd December 1997

Policy No. 509/DL191996

THE SCHEDULE

The Insured	**Millennium Chemicals Inc.** as more fully set forth in the attached wording. 99 Wood Avenue, South Iselin, New Jersey, 08830 USA

The Premium:	US$81,920.00 (being 100% of 80% of US$102,400.00)
Sum Insured	100% of 80% of the Limit of Indemnity
Interest Insured:	Umbrella Liability
	all as more fully set forth in the attached wording.

It is agreed that wherever the word "Underwriters" herein, the word "Insurers" shall be read in lieu thereof.

Period of Insurance

From: 1st October 1996 To: 1st October, 1997

Both days at 12.01 a.m. Local Standard Time

Attaching to and forming part of Policy No. 509/DL191996

Issued to: **Millennium Chemicals Inc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 2

It is hereby understod and agreed that:

(i) with effect from 12th October 1996 the Insured having sold its Subsidiary Company Endicott Johnson Retail Corporation, all cover under this Policy in respect of such Subsidiary Company is cancelled and of no effect.

(ii) (a) the Policy Period is extended to expire on the 31st December 1997

(b) for the period 1st October 1996 to 31st December 1997 the Aggregate Limit of Indemnity set forth in Item 6 of the Declarations is increased.to US$31,250,000.

In consideration of the foregoing there is an additional premium of US$20,397.60 part of US$25,497.00 due to Underwriters.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL191996

Issued to: **Millennium Chemicals Inc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 1

Effective: Inception

It is hereby understood and agreed that this Policy follows all terms, conditions, exclusions, endorsements and extensions of the lead underlying liability Policy issued by Gerling Konzern (Policy No. 62/8189349/D).

Notwithstanding anything contained herein to the contrary, it is further understood and agreed that this Policy is extended to include but shall not be limited to the following:

1) In respect of USA/Canada operations:

(a) Legal Costs inclusive within the Limits of Imdemnity
(b) Asbestos exclusion
(c) Pollution on Time Element basis

2) In respect of the United Kingdom/Rest of the World operations:

(a) this Policy shall follow the terms and conditions of the primary policy issued by the Eagle Star or primary carriers as outlined in the attached Schedule of Underlying Insurances

(b) the following clause shall apply

3) In respect of the Worldwide coverage:

(a) Full contractual liability
(b) Cross Liability
(c) Property damage definition to include loss of use of tangible property
(d) Tobacco health risk exclusion
(e) excludes pure financial loss in respect of products liability
(f) Aircraft Products and Grounding exclusion
(g) Wrongful termination and discrimination exclusion
(h) Marine Liabilities exclusion
(i) Advertising Liability

all as may be more fully set forth and defined in the lead underlying policy

All other terms and conditions remain unchanged.

EXCESS LIABILITY POLICY

INSURING AGREEMENTS:

I COVERAGE -

The Underwriters hereby agree, subject to the limitations, terms and conditions hereinafter mentioned, to indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of the liability caused by or arising out of the hazards covered by and as more fully defined in the Underlying Policy/ies stated in Item 2 of the Declarations.

II LIMIT OF LIABILITY -

It is expressly agreed that liability shall attach to the Underwriters only after the Underlying Insurers (as specified in Item 2 of the Declarations) have paid or have been held liable to pay the full amount of their respective ultimate net loss liability as follows:

$ (as stated in Item 3 of the Declarations)	ultimate net loss in respect of each occurrence, but
$ (as stated in Item 4 of the Declarations)	in the aggregate for each annual period during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Underlying Policy/ies

and the Underwriters shall then be liable to pay only the excess thereof up to a further

$ (as stated in Item 5 of the Declarations)	ultimate net loss in all in respect of each occurrence - subject to a limit of
$ (as stated in Item 6 of the Declarations)	in the aggregate for each annual period during the currency of this Policy separately in respect of each hazard insured with an aggregate limit in the Underlying Policy/ies.

CONDITIONS:

1. PRIOR INSURANCE AND NON CUMULATION OF LIABILITY -

It is agreed that if any loss covered hereunder is also covered in whole or in part under any other excess policy issued to the Insured prior to the inception date hereof the limit of indemnity hereon as stated in Items 5 and 6 of the Declarations shall be reduced by any amounts due to the Insured on account of such loss under such prior insurance.

2. MAINTENANCE OF UNDERLYING LIABILITY INSURANCE -

This Policy is subject to the same terms, definitions, exclusions and conditions (except as regards the premium, the amount and limits of indemnity and except as otherwise provided herein) as are contained in or as may be added to the lead underlying liability policy stated in Item 2 of the Declarations prior to the happening of an occurrence for which claim is made hereunder. Provided always that this Policy shall not apply until the Underlying Liability Insurers have paid or have been held liable to pay the full amount of their respective ultimate net loss in accordance with Insuring Agreement II. Should, however, any alteration be made in the premium for the Underlying Liability Policy/ies during the currency of this Policy, the Company reserves the right to adjust the premiums hereon accordingly.

It is a condition of this Policy that the Underlying Liability Policy/ies shall be maintained in full effect during the currency hereof except for any reduction of the aggregate limits contained therein solely by payment of claims in respect of accidents and/or occurrences occurring during the period of this Policy, or by the operation of a clause contained in said Underlying Liability Policy/ies similar to Condition 1 above.

3. ASSISTANCE AND CO-OPERATION -

The Company shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured but the Company shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an occurrence where the claim or suit involves, or appears reasonably likely to involve the Company, in which event the Insured and the Company shall co-operate in all things in the defense of such claim, suit or proceeding.

4. CANCELLATION -

This Policy may be cancelled by the Named Insured or by the Company or their representatives by mailing written notice to the other party stating when, not less than sixty (60) days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by the Company or their representatives to the Named Insured at the address shown in this Policy shall be sufficient proof of notice, and the insurance under this Policy shall end on the effective date and hour of cancellation stated in the notice. Delivery of such written notice either by the Named Insured or by the Company or their representatives shall be equivalent to mailing.

If this Policy shall be cancelled by the Named Insured the Company shall retain the customary short rate proportion of the premium for the period this Policy has been in force. If this Policy shall be cancelled by the Company the Company shall retain the pro rata proportion of the premium for the period this Policy has been in force. Notice of cancellation by the Company shall be effective even though the Company makes no payment or tender of return premium with such notice.

5. OTHER INSURANCE -

If other valid and collectible insurance with any other insurer is available to the Insured covering a loss also covered by this Policy, other than insurance that is specifically stated to be in excess of this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance. Nothing herein shall be construed to make this Policy subject to the terms, conditions and limitations of other insurance.

6. NOTICE OF OCCURRENCE -

Whenever the Insured has information from which they may reasonably conclude that an occurrence covered hereunder involves injuries or damages which, in the event that the Insured should be held liable, is likely to involve this Policy, notice shall be sent as stated in Item 8 of the Declarations as soon as practicable, provided, however, that failure to give notice of any occurrence which at the time of its happening did not appear to involve this Policy, but which, at a later date would appear to give rise to claims hereunder, shall not prejudice such claims.

DECLARATIONS

ITEM 1. a) NAMED ASSURED:

Millennium Chemicals Inc. Millennium America Inc. and all Subsidiaries and or Associated Companies

b) ADDRESS OF NAMED ASSURED:

99 Wood Avenue,
South Iselin,
New Jersey, 08830,
U.S.A.

ITEM 2. a) UNDERLYING POLICY NO(S):

1) W52046
2) 8189349
3) 62/901152D (lead liability policy)

b) UNDERLYING INSURER(S):

1) Winterthur Ins.
2) Lexington Ins. Co.
3) Gerling Konzern General Insurance Company (lead liability policy)

ITEM 3. UNDERLYING LIMITS (Insuring Agreement II):

1) US$20,000,000
Excess of:
2) US$25,000,000
Which in turn Excess of:
3) US$5,000,000
(lead liability policy)

which in turn excess of Underlying Insurances as per the attached Schedule of Underlying Insurance

ITEM 4. UNDERLYING AGGREGATE LIMITS (Insuring Agreement II):

1) US$20,000,000
Excess of:
2) US$25,000,000
Which in turn Excess of:
3) US$5,000,000

ITEM 5. LIMIT OF INDEMNITY
(Insuring Agreement II): US$25,000,000

ITEM 6. AGGREGATE LIMIT OF INDEMNITY
(Insuring Agreement II): US$25,000,000

ITEM 7. POLICY PERIOD: From 1st October 1996 to 30th September 1997
both days inclusive

ITEM 8. NOTICE OF OCCURRENCE (Condition 6) to:

Marsh & McLennan Global Broking Ltd,
The Bowring Building,
Tower Place,
London EC3P 3BE.
U.K.