AMERICAN EXCESS HR 000027688 10/1/88 - 10/1/89

Umbrella 10/1/88-89
Hanson/Kidde American Excess
HR000027688

THIS IS A REPORTED OCCURRENCE POLICY WHICH CONTAINS CERTAIN FEATURES THAT ARE ANALOGOUS TO THE ONES FOUND IN CLAIMS MADE POLICIES. PLEASE READ THE ENTIRE POLICY CAREFULLY.

EXCESS INDEMNITY POLICY

INSURANCE UNDER THIS POLICY IS PROVIDED BY SEVERAL SEPARATE INSURERS, WHO ARE ALL MEMBERS OF THE AMERICAN EXCESS INSURANCE ASSOCIATION. THE LIABILITY OF THESE INSURERS IS SEVERAL AND NOT JOINT AND IS SET OUT SPECIFICALLY IN ENDORSEMENT NUMBER 1 WHICH IS ATTACHED TO AND FORMS PART OF THIS POLICY.

American Excess Insurance Association
(Herein called the "COMPANY")

Words and phrases that appear in all capital letters have the special meanings set forth in Section V–DEFINITIONS.

DECLARATIONS

POLICY NUMBER: HR000027688

Item 1: NAMED INSURED: HANSON INDUSTRIES

Address of NAMED INSURED: 410 PARK AVENUE
NEW YORK, NY 10022

Item 2: COMPANY'S Limit of Liability under this POLICY in the aggregate for all covered OCCURRENCES:
$75,000,000.00 part of $75,000,000.00.
See Endorsement Number 1 to this POLICY.

Item 3: PER OCCURRENCE UNDERLYING AMOUNT:
$25,000,000.00

"DEFENSE EXPENSES" ARE INCLUDED IN THE LIMITS OF LIABILITY OF THE POLICY AND ARE IN THE "PER OCCURRENCE UNDERLYING AMOUNT"

Item 4: POLICY PERIOD:
From 12:01 A.M.* on the 1ST day of October, 1988.
("Inception Date").

To 12:01 A.M.* on the 1ST day of October, 1989.
("Expiration Date").

Item 5: RETROACTIVE DATE:
12:01 A.M.* on the 1ST day of October, 1986.

Item 6: Flat Premium for the POLICY PERIOD:
$1,264,000.00

Item 7: Representative of COMPANY:

Farmington Management, Inc.
RiverBend Executive Park
77 Hartland Street
East Hartford, CT 06108
Attention: The President

Item 8: Representative of NAMED INSURED:

HANSON INDUSTRIES
410 PARK AVENUE
NEW YORK, NY 10022

Item 9: Endorsements attached at POLICY issuance:

1. Liability of Insurers Endorsement, AEIA-2
2. New York Mandatory Endorsement, AEIA-S-6

American Express Insurance Association
Countersigned by Clinton A. Greene
(Authorized Representative)

*Standard Time at the address of the NAMED INSURED as stated herein.

Insuring Agreements

In consideration of the payment of the premium and in reliance on all statements made and information furnished by the NAMED INSURED to the COMPANY, including the representations and warranties made in the Application for this POLICY, hereby made a part hereof, and subject to the foregoing Declarations, hereby made a part hereof, and to all of the terms of this POLICY, the COMPANY and the NAMED INSURED agree as follows:

I. COVERAGE

(a) The COMPANY shall indemnify the INSURED for ULTIMATE NET LOSS which the INSURED shall become legally obligated to pay by reason of liability imposed upon the INSURED by law or liability of others assumed by the INSURED under contract or agreement because of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE anywhere in the world,

(1) which results from an OCCURRENCE, notice of which shall have been first given to the COMPANY (in accordance with Condition (c) hereof):

(A) by the NAMED INSURED during the POLICY PERIOD;

(B) by the NAMED INSURED during any EXTENDED REPORTING PERIOD which the NAMED INSURED shall have elected to secure (or continue) in accordance with the following paragraph I(b); or

(C) by any former subsidiary or affiliate of the NAMED INSURED during any EXTENDED REPORTING PERIOD that may arise in accordance with Condition (m) hereof; and

(2) for which a CLAIM is made against the INSURED, and of which CLAIM the NAMED INSURED has given written notice to the COMPANY, within ten (10) years from the effective date of cancellation of the POLICY or the Expiration Date stated in Item 4 of the Declarations irrespective of whether:

(A) the notice of OCCURRENCE in paragraph I(a)(1) above was given during the POLICY PERIOD; or

(B) such notice was given during the EXTENDED REPORTING PERIOD;

provided, however, that in no event shall there be coverage under this POLICY for any liability of any INSURED with respect to any OCCURRENCE, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE for which there is, or but for the issuance of this POLICY would be, any coverage in any amount provided under any other policy issued by the COMPANY to the INSURED irrespective of whether such other policy is issued prior to, simultaneously with or subsequent to this POLICY.

(b) In the event of cancellation or nonrenewal of this POLICY by the NAMED INSURED or the COMPANY, other than cancellation for nonpayment of premium, the NAMED INSURED may elect to secure an EXTENDED REPORTING PERIOD for an ANNUAL PERIOD, and thereafter may elect annually to continue such EXTENDED REPORTING PERIOD for no more than four (4) additional ANNUAL PERIODS, for such INSUREDS as the NAMED INSURED shall designate, by giving the COMPANY written notice of such election not less than ten (10) days prior to the effective date of cancellation of the POLICY or the Expiration Date stated in Item 4 of the Declarations, or the expiration date of each ANNUAL PERIOD, and by paying to the COMPANY the applicable annual premium as set forth in the attached Schedule B no later than the date of commencement of each ANNUAL PERIOD of such EXTENDED REPORTING PERIOD.

Where notice of an OCCURRENCE is first given, in accordance with Condition (c), during such EXTENDED REPORTING PERIOD, it shall be deemed to have been given during the POLICY PERIOD of this POLICY for purposes of the application of the terms of this POLICY including, but not by way of limitation, the COMPANY'S Limit of Liability and the PER OCCURRENCE UNDERLYING AMOUNT.

II. LIMIT OF LIABILITY

(a) Subject to all the terms hereof, the COMPANY shall indemnify the INSURED, in accordance with Condition (f), only for that amount of ULTIMATE NET LOSS, as provided for in Endorsement Number 1 to this POLICY, for any OCCURRENCE covered pursuant to paragraph I hereof, which ULTIMATE NET LOSS is in excess of the greater of either:

(1) ULTIMATE NET LOSS in the amount of the PER OCCURRENCE UNDERLYING AMOUNT; or

(2) *ULTIMATE NET LOSS with respect to any OCCURRENCE in the amount covered by collectible OTHER INSURANCE;*

and then only up to the amount stated in Item 2 of the Declarations as the COMPANY'S Limit of Liability, which is the maximum amount payable by the COMPANY under this POLICY in the aggregate with respect to all ULTIMATE NET LOSS arising from any and all OCCURRENCES, irrespective of the period over which any OCCURRENCE, loss, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE occurs or the number of such OCCURRENCES, losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES and irrespective of whether the notice of OCCURRENCE is given during the POLICY PERIOD or during any applicable EXTENDED REPORTING PERIOD.

(b) Only ULTIMATE NET LOSS which would be covered by this POLICY (if the terms of this POLICY were satisfied) but for the amount of such ULTIMATE NET LOSS and/or the existence of OTHER INSURANCE is included within the ULTIMATE NET LOSS referred to in paragraphs II(a)(1) and (2) above.

(c) Neither:

(1) the inclusion or addition hereunder of more than one INSURED; or

(2) any EXTENDED REPORTING PERIOD secured in accordance with paragraph I(b), and or arising in accordance with Condition (m) hereof;

shall operate to reinstate or increase the COMPANY'S Limit of Liability beyond that set forth in Item 2 of the Declarations or to extend the POLICY PERIOD.

III. EXCLUSIONS

This POLICY shall not apply to any liability or alleged liability of the INSURED for:

(a) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE for which the INSURED has assumed liability under any contract or agreement, if such PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE occurred prior to the time such contract or agreement became effective;

(b) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE in any manner arising out of the design, construction, maintenance, manning, ownership, operation or use of any WATERCRAFT; provided, however, that this Exclusion (b) shall not apply with respect to WATERCRAFT or risks listed on Schedule D hereto and loading or unloading of any WATERCRAFT at premises owned, leased or controlled by the INSURED;

(c) (1) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly arising out of:

(A) the actual, alleged or threatened discharge, dispersal, release, seepage, or escape of any POLLUTANT into or upon any person, place or thing including the land or other real estate, any man-made structure, the atmosphere, any water or watercourse whether above or below ground or otherwise into the environment, however caused and whenever happening; or

(B) any direction or request whether governmental or otherwise, that the INSURED evaluate, test for, monitor, clean up, remove, control, contain, treat, detoxify or neutralize any POLLUTANT or the actual, alleged or threatened discharge, dispersal, release, seepage or escape thereof;

provided, however, except as provided in paragraph (2) of this Exclusion (c), that subparagraphs (1)(A) and (B) of this Exclusion (c) shall not apply to PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE arising out of or alleged to arise out of such discharge, dispersal, release, seepage or escape and caused solely by:

(C) unintended fire or explosion, or lightning; or

(D) a collision or overturning of an AUTOMOBILE or railroad vehicle;

(E) a single or intermittent discharge, dispersal, release or escape, which ceases within seven (7) days of its first commencement, of:

(i) POLLUTANTS, other than herbicides, pesticides or defoliants, which constitute the INSURED'S PRODUCTS;

(ii) POLLUTANTS, other than herbicides, pesticides or defoliants, where such discharge, dispersal, release or escape is caused by or results from the INSURED'S PRODUCTS, other than products that are specifically designed, intended or marketed to evaluate, test for, monitor, treat, detoxify or neutralize POLLUTANTS; or

(iii) POLLUTANTS from premises owned, leased, rented or controlled by the INSURED;

and provided that such discharge, dispersal, release or escape results in PERSONAL INJURY or PROPERTY DAMAGE which commences and is discovered within seven (7) days after the time such discharge, dispersal, release or escape first commences;

(2) The exception to subparagraphs (1)(A) and (B) of this Exclusion (c) which are contained in subparagraphs (1)(C), (D) and (E) of this Exclusion (c), shall in no event apply to:

(A) PROPERTY DAMAGE directly or indirectly arising out of:

(i) underground or underwater operations of the INSURED; and/or

(ii) removal of, loss of or damage to underground or underwater oil, gas or any other substance;

(B) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly arising out of the handling, processing, treatment, storage, disposal, dumping, discharge, dispersal, release, seepage or escape of any WASTE;

(C) the cost of evaluating, testing for, monitoring, cleaning up, removing, controlling, containing, treating, detoxifying and/or neutralizing the discharge, dispersal, release, seepage and/or escape of any POLLUTANT on property at any time owned, leased and/or rented by the INSURED and/or under the control of the INSURED; and

(D) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly arising out of the actual, alleged or threatened discharge, dispersal, release, seepage or escape of any POLLUTANT:

(i) into any underground water or watercourse; or

(ii) from any underground or underwater tank, piping or other container of any type;

unless the immediate cause of such discharge, dispersal, release, seepage or escape is unintended fire or explosion, or lightning;

(d) ADVERTISING OFFENSE arising out of:

(1) failure of performance of contract, other than the unauthorized appropriation of ideas based upon alleged breach of implied contract;

(2) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised;

(3) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised; or

(4) the failure of goods, products or services to conform to advertised quality or performance;

(e) (1) except in respect of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE taking place in and caused by events and conditions occurring in the land area of the United States of America, its territories or possessions, or Canada, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

(2) except in respect of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE, taking place in and caused by events or conditions occurring in the land area of the United States of America, its territories or possessions, or Canada, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE, not excluded by paragraph (1) of this Exclusion (e), which is caused by, results from or is attributable to the INSURED'S PRODUCTS, which are used, designed or intended to be used for the purpose of inflicting PERSONAL INJURY or PROPERTY DAMAGE, and which PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE arises in connection with:

(A) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power; or

(B) confiscation, nationalization, requisition or destruction of, or damage to, property in connection with or arising out of any of the situations listed in subparagraph (2)(A) of this Exclusion (e);

(f) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE arising out of asbestos, tobacco or tobacco products, dioxin, asbestiform talc, diethylstibesterol, urea formaldehyde or any intra-uterine device;

(g) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE arising out of the design, manufacture, construction, maintenance, service, use or operation of any AIRCRAFT, or any component part or equipment thereof, or any other airplane navigational or aviation related equipment;

(h) PERSONAL INJURY or PROPERTY DAMAGE

(1) with respect to which an INSURED under this POLICY is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability

Underwriters or Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;

(2) 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 is or, had this POLICY not been issued, would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;

(3) resulting from the "hazardous properties" of "nuclear material", if

(A) the "nuclear material" (i) is at any "nuclear facility" owned by, or operated by or on behalf of, an INSURED or (ii) has been discharged or dispersed therefrom;

(B) the "nuclear material" is contained in "spent fuel" or "waste" any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or

(C) the PERSONAL 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 subparagraph (3)(C) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this Exclusion (h):

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means "source material", "special nuclear material" or "by-product material";

"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;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"waste" means any waste material (1) containing "byproduct 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 (2) 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";

"nuclear facility" means:

(1) any "nuclear reactor";

(2) any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing "spent fuel", or (c) handling, processing or packaging "waste";

(3) 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;

(4) 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 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;

"property damage" includes all forms of radioactive contamination of property;

(i) PERSONAL INJURY or PROPERTY DAMAGE directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity outside the United States, its territories or possessions, or Canada from any nuclear fuel, any nuclear waste or from the combustion, fission or fusion of nuclear fuel;

(j) PROPERTY DAMAGE to property rented to, used or occupied by or in the care, custody or control of the INSURED:

(1) to the extent that the INSURED has agreed to provide insurance therefor; or

(2) if such property is owned by any person or organization controlling or coming under the control of the INSURED;

(k) (1) loss of use of tangible property which has not been physically injured or destroyed, resulting from:

(A) a delay in or lack of performance by or on behalf of the INSURED of any contract or agreement; or

(B) the failure of the INSURED'S PRODUCTS or OPERATIONS completed by or on behalf of the INSURED either to meet any warranty or representation by the INSURED as to the level of performance, quality, fitness or durability or to perform the function or serve the purpose intended by the INSURED;

provided, however, that paragraph (1) of this Exclusion (k) shall not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the INSURED'S PRODUCTS or OPERATIONS performed by or on behalf of the INSURED after such INSURED'S PRODUCTS or OPERATIONS have been put to use by any person or organization other than an INSURED;

(2) PROPERTY DAMAGE to any portion or section of the INSURED'S PRODUCTS or of OPERATIONS completed by or on behalf of the INSURED, if such PROPERTY DAMAGE arises out of that portion of such products or that section of OPERATIONS, or out of materials, parts or equipment furnished in connection therewith; or

(3) the withdrawal, inspection, repair, replacement, or, in connection with any of the foregoing, loss of use, of the INSURED'S PRODUCTS or OPERATIONS completed by or for the INSURED or of any property of which such INSURED'S PRODUCTS or OPERATIONS form a part, if such INSURED'S PRODUCTS, OPERATIONS or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein whether caused or believed to have been caused by the INSURED or by any other person or entity;

(l) any obligation for which the INSURED or any carrier as his insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law or the Longshoremen's and Harbor Workers' Compensation Act, or under any similar state or federal law; provided, however, that this Exclusion does not apply to liability arising under the Federal Employers Liability Act or the Jones Act;

(m) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE resulting from an OCCURRENCE if notice of such OCCURRENCE has been given prior to the Inception Date stated in Item 4 of the Declarations under any policy which policy has expired prior to or upon the inception of this POLICY;

(n) PERSONAL INJURY or PROPERTY DAMAGE arising out of discrimination or humiliation directly or indirectly related to employment or prospective employment of any person or persons by any INSURED;

(o) PERSONAL INJURY or PROPERTY DAMAGE directly or indirectly arising out of the actual or threatened termination of employment of any person or persons by any INSURED;

(p) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE and/or any liability of any nature whatsoever arising out of:

(1) the purchase, sale or distribution of securities or offers to purchase or sell securities, or investment counselling or management, including, without limitation, liability under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940, and the so-called "blue-sky" laws of the various states or other jurisdictions or any laws amendatory of any thereof;

(2) antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including, without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act and the similar or equivalent laws of the various states or other jurisdictions;

(3) fraud or breach of fiduciary duty;

(4) governmental, civil or criminal fines or penalties;

(5) the failure to pay when due any governmental tax (including, without limitation, income, excise, property, value added and sales tax) or tariff, license fee or other governmental fee which is incidental to the conduct of business or any assessment, fine or penalty related thereto;

(6) copyright, patent or trademark infringement (other than advertising liability with respect to titles or slogans);

(7) any defect in or impairment to title to real property, including fixtures, whether or not owned by an INSURED;

(8) disclosure or other regulation of sales of, and offers to sell, real property;

(9) employee, officer or director dishonesty or any liability of any employee, officer or director of an INSURED to such INSURED.

No inference shall be made from the exclusion of liabilities, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE in any Exclusion that this POLICY would otherwise cover such liabilities, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE or covers similar liabilities, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE; nor shall any portion of any Exclusion to the POLICY be construed to be an extension of coverage otherwise provided by the POLICY.

IV. CONDITIONS

(a) *Premium*

(1) The premiums under this POLICY are flat premiums and are not subject to adjustment, except as otherwise provided in paragraph (6) of Definition (j) and Condition (q) hereof. The premium shall be paid to the COMPANY.

(2) Additional premium for an EXTENDED REPORTING PERIOD shall be fully earned, notwithstanding anything contained in this POLICY to the contrary, when the ANNUAL PERIOD to which such premium is applicable incepts.

(b) *Inspection and Audit*

(1) The COMPANY shall be permitted but not obligated to inspect the INSURED'S property and operations at any time. Neither the COMPANY'S right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for benefit of the INSURED or others, to determine or warrant that such property or operations are safe, healthful or in compliance with any law, rule or regulation.

(2) The COMPANY may examine and audit the INSURED'S books and records at any time while this POLICY is in force and within ten (10) years after the final termination of this POLICY or within one (1) year after final settlement of all claims arising out of any OCCURRENCE notice of which was given during the POLICY PERIOD or any EXTENDED REPORTING PERIOD, as far as they relate to the subject matter of this POLICY.

(c) *Notice of Occurrence or Claim*

(1) If any employee of the risk management or legal department or any officer or director of any INSURED shall become aware of an OCCURRENCE likely to involve this POLICY, the NAMED INSURED shall as soon as practicable, as a condition precedent to the rights of any INSURED under this POLICY, give written notice to the COMPANY which notice shall include, but not be limited to, information as to the nature of the OCCURRENCE, the actual or anticipated injury or damage resulting therefrom, the name(s) of any claimant(s) or potential claimant(s) and the manner in which and the date on which the INSURED first became aware of the OCCURRENCE and such other detailed information as the COMPANY may reasonably request regarding the OCCURRENCE. Unless such written notice is provided as required herein, there shall be no rights to any coverage hereunder.

(2) If any CLAIM likely to involve this POLICY is made against any INSURED, as a condition precedent to the rights of any INSURED under the POLICY, the NAMED INSURED shall, as soon as practicable, give written notice to the COMPANY of such CLAIM and, if written notice of the OCCURRENCE from which the CLAIM arises has not already been given, written notice, in accordance with paragraph (1) of this Condition (c), of the claimed or alleged OCCURRENCE with respect to which such CLAIM is made and shall promptly forward to the COMPANY copies of any written CLAIM, demand, notice, summons, complaint or other process received by the INSURED or its representatives or agents. Unless such written notice is provided as required herein, there shall be no rights to any coverage hereunder.

(3) Notice to the COMPANY shall be given to the person or entity stated in Item 7 of the Declarations and shall be deemed to be given when sent if sent by certified mail, return receipt requested, by telex with receipt acknowledged or by any express mailing service where a written receipt of sending is provided.

(d) *Assistance and Cooperation*

The COMPANY shall not be called upon to assume charge of the settlement or defense of any CLAIM made against an INSURED but the COMPANY shall have the right and shall be given the opportunity to associate at its own expense with the INSURED or the issuers of OTHER INSURANCE or both in the investigation, settlement, defense and control of any CLAIM relative to any OCCURRENCE where the CLAIM involves, or appears reasonably likely to involve, the COMPANY in which event the INSURED and the COMPANY shall cooperate in all things in the defense of such CLAIM.

The INSURED shall enforce or cooperate with the COMPANY to enforce any right of contribution or indemnity against any person or organization who may be liable to the INSURED because of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE with respect to which insurance is afforded under this POLICY.

In the event that the COMPANY, in its sole discretion, chooses to exercise its rights pursuant to this Condition (d), no action taken by the COMPANY in the exercise of such rights shall serve to modify or expand in any manner, the COMPANY'S liability or obligations under this POLICY beyond what the COMPANY'S liability or obligations would have been had it not exercised its rights under this Condition (d).

(e) *Appeals*

In the event the INSURED or the issuers of OTHER INSURANCE elect not to appeal a judgment in excess of the limits of liability of such OTHER INSURANCE, the COMPANY may elect to make such appeal at its own cost and expense and shall be liable for the taxable costs and disbursements and interest on judgments incidental thereto, but in no event shall the total liability of the COMPANY exceed its Limit of Liability stated in Item 2 of the Declarations plus the cost and expense of such appeal.

(f) *Loss Payable*

(1) Indemnity under this POLICY with respect to any OCCURRENCE shall not attach unless and until the INSURED and/or the issuers of OTHER INSURANCE shall have paid the greater of either:

(A) ULTIMATE NET LOSS in the amount of the PER OCCURRENCE UNDERLYING AMOUNT; or

(B) ULTIMATE NET LOSS with respect to any OCCURRENCE in the amount covered by collectible OTHER INSURANCE;

whichever is applicable, as provided in paragraph II(a) hereof and, unless and until the INSURED'S liability shall have been fixed and rendered certain either by final judgment against the INSURED after trial or by settlement approved in writing by the COMPANY.

(2) The INSURED shall make a written demand for payment for any amount of the ULTIMATE NET LOSS for which the COMPANY may be liable under this POLICY as soon as practicable after the INSURED'S liability shall have been fixed and rendered certain and after such amount shall have been paid by or on behalf of the INSURED. If any subsequent payments shall be made by the INSURED on account of the same OCCURRENCE, additional written demands for payment should be made similarly from time to time. Such losses shall be due and payable by the COMPANY within a reasonable time after they are respectively demanded and proven in conformity with this POLICY.

(3) No person or organization shall have any right under this POLICY to join the COMPANY as a party to any action against the INSURED, nor shall the COMPANY be impleaded by the INSURED or his legal representative.

(g) *Representation*

Such person or office as the NAMED INSURED shall designate in Item 8 of the Declarations shall represent the NAMED INSURED and any and all INSUREDS hereunder in all matters under this POLICY including, without limitation, payment of premium, negotiation of the terms of renewal and the adjustment, settlement and payment of CLAIMS.

(h) *Other Insurance*

The insurance afforded by this POLICY shall be in excess of and shall not contribute with OTHER INSURANCE. Nothing herein shall be construed to make this POLICY subject to the terms, conditions and limitations of any OTHER INSURANCE.

(i) *SUBROGATION*

Inasmuch as this POLICY is excess coverage, the INSURED'S right of recovery against any person or other entity cannot be exclusively subrogated to the COMPANY. It is, therefore, understood and agreed that in case of any payment hereunder, the COMPANY will act in concert with all other interests (including the INSURED'S) concerned in the exercise of such rights of recovery. The apportioning of amounts which may be so recovered shall follow the principle that any interests (including the INSURED'S) that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them; the COMPANY is then to be reimbursed out of any balance then remaining up to the amount paid hereunder and, lastly, the interests (including the INSURED'S) of which this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between or among the interests (including the INSURED'S) concerned, in the ratio of their respective recoveries as finally settled.

(j) *Changes*

Notice to or knowledge possessed by any person shall not effect a waiver or a change in any part of this POLICY or estop the COMPANY from asserting any right under the terms of this POLICY; nor shall the terms of this POLICY be waived or changed except by endorsement signed by the COMPANY or its authorized representative and issued to form a part of this POLICY.

(k) *Assignment*

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

(l) *Cross Liability*

In the event of CLAIMS being made by reason of:

(1) PERSONAL INJURY suffered by an employee of one INSURED hereunder; or

(2) damage to property belonging to any INSURED hereunder;

for which another INSURED hereunder is or may be liable, then this POLICY shall cover such INSURED, subject to the terms of this POLICY, against whom a CLAIM is made or may be made in the same manner as if separate policies had been issued to each INSURED hereunder. Nothing contained herein shall operate to increase the COMPANY'S Limit of Liability as set forth in Item 2 of the Declarations.

(m) *Former Subsidiaries and Affiliates*

If any subsidiary or affiliate of the NAMED INSURED, which is an INSURED hereunder by virtue of Definition (j) hereof, shall cease to be such a subsidiary or affiliate of the NAMED INSURED, then at the time of such cessation the POLICY PERIOD shall automatically expire as to such former subsidiary or affiliate and, if the NAMED INSURED or such subsidiary or affiliate elects in advance of such expiration, an EXTENDED REPORTING PERIOD shall automatically incept as to such former subsidiary or affiliate and continue in force until expiration of the NAMED INSURED'S POLICY PERIOD under this POLICY without additional payment or refund of any premium.

(n) *Headings*

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

(o) *Insolvency*

(1) Bankruptcy or insolvency of the INSURED or the INSURED'S estate shall not relieve the COMPANY of any of its obligations hereunder.

(2) The insolvency, bankruptcy, receivership or any refusal or inability to pay of the INSURED and/or any insurer shall not operate to:

(A) lower the PER OCCURRENCE UNDERLYING AMOUNT; or

(B) increase the COMPANY'S liability under this POLICY; and

in no event and under no circumstances shall the COMPANY assume or be deemed to have assumed the liabilities and/or responsibilities and/or obligations of the INSURED.

(p) *Warranty*

The NAMED INSURED warrants and agrees as follows:

(1). that it has no knowledge at the Inception Date stated in Item 4 of the Declarations of any fact or circumstance not disclosed to the COMPANY in the Application for this POLICY which is likely to give rise to a claim hereunder; and

(2) that based upon reasonable inquiry and to the best of its knowledge and belief:

(A) all information provided to the COMPANY in the Application for this POLICY is true and correct; and

(B) no material information requested has been withheld.

(q) *Cancellation*

This POLICY may be cancelled:

(1) at any time by the NAMED INSURED by delivering written notice to the COMPANY stating when, not less than thirty (30) days from the date the notice is delivered, cancellation shall be effective; or

(2) at any time by the COMPANY by delivering written notice to the NAMED INSURED stating when, not less than ninety (90) days from the date notice was delivered, cancellation shall be effective; except, in the event of cancellation for nonpayment of premiums, such cancellation shall become effective fifteen (15) days after the date notice is delivered. Payment or tender of unearned premium is not a condition of cancellation.

Delivery by hand of such notice either by the NAMED INSURED or the COMPANY shall be sufficient delivery. Written notice shall be deemed sufficient delivery if sent by certified mail, return receipt requested, or by telex and receipt is acknowledged. The POLICY PERIOD shall end on the effective date and hour of cancellation stated in the notice.

In the event of cancellation by the INSURED, the premium retained by the COMPANY shall be calculated in accordance with the COMPANY'S short rate table which is attached hereto as Schedule C. In the event of cancellation by the COMPANY, the premium retained by the COMPANY shall be calculated pro-rata based upon the duration of the POLICY PERIOD.

For purposes of notice required under this Condition (q) or pursuant to regulation, the offer by the COMPANY of renewal on terms or premiums different from those in effect during the POLICY PERIOD shall not constitute cancellation or nonrenewal of this POLICY by the COMPANY.

(r) *Arbitration*

(1) *Resolution of Disputes:* All disputes between any INSURED(S) and the COMPANY (hereafter referred to collectively as the "parties") arising out of or under this POLICY, whether arising before or after termination of this POLICY, shall be submitted to arbitration in the manner set forth in this Condition (r).

(2) *Composition of Panel:* Unless the parties agree upon a single arbitrator within fifteen (15) days after the receipt of a notice of intention to arbitrate, all disputes shall be submitted to an arbitration panel composed of two arbitrators and an umpire, chosen in accordance with paragraph (3) or paragraphs (3) and (4) of this Condition (r).

(3) *Appointment of Arbitrators:* The members of the arbitration panel shall be disinterested, active or retired business executives having knowledge relevant to the matters in dispute. Unless a single arbitrator is agreed upon by the parties, the party requesting arbitration (hereafter referred to as the "initiating party") shall appoint an arbitrator and give written notice thereof, either by telex or by registered or certified mail, return receipt requested, to the other party (hereafter referred to as the "responding party") together with the notice of intention to arbitrate. If there is more than one initiating party or responding party such parties shall act collectively as a single initiating party or single responding party for all purposes including giving notice of intention to arbitrate or giving answer to such notice, and appointing an arbitrator. The notice of intention to arbitrate shall state with specificity the full names and addresses of the parties, the POLICY pursuant to which arbitration is sought, the nature of the dispute and the relief sought.

Within thirty (30) days after receiving the notice of intention to arbitrate, the responding party also shall appoint an arbitrator and notify the initiating party thereof in the same manner as above. Before instituting a hearing, the two arbitrators so appointed shall choose an umpire from among such persons meeting the qualifications set forth in this paragraph (3). If, within twenty (20) days after the appointment of the arbitrator chosen by the responding party or chosen in accordance with paragraph (4) of this Condition (r), the two arbitrators fail to agree upon the appointment of an umpire, the initiating party shall petition the President of the American Arbitration Association or his delegate to appoint the umpire. In the event that an arbitrator or the umpire withdraws from the panel or is unable to discharge his or her duties by reason of death, illness, or incompetency or otherwise, a replacement will be selected in the same manner as provided in the original appointment.

(4) *Failure of Party to Appoint Arbitrator:* If the responding party fails to appoint an arbitrator within thirty (30) days after receiving notice of intention to arbitrate, the initiating party shall appoint such arbitrator who shall then, together with the first arbitrator appointed by the initiating party, choose an umpire as provided in paragraph (3) of this Condition (r).

(5) *Choice of Law and Forum:* Any arbitration instituted pursuant to this Condition (r) shall be held in the State of Connecticut and the laws of that State shall govern the interpretation and application of this POLICY, except insofar as such laws may prohibit coverage of punitive or exemplary damages hereunder; provided, however, that the terms of this POLICY are to be construed in an evenhanded fashion as between the INSURED and the COMPANY; without limitation, where the language of this POLICY is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant terms (without regard to authorship of the language, without any presumption or arbitrary interpretation or construction in favor of either the INSURED or the COMPANY) and in accordance with the intent of the parties. In reaching any decision, the panel shall give due consideration to the customs and usages of the insurance industry.

(6) *Submission of Dispute to Panel:* The initiating party shall submit its initial brief within twenty (20) days from appointment of the umpire. The responding party shall submit its brief within twenty (20) days after receipt of the initiating party's brief and the initiating party may submit a reply brief within ten (10) days after receipt of the responding party's brief.

(7) *Procedure Governing Arbitration:* All proceedings before the panel shall be informal and the panel shall not be bound by strict rules of legal procedure or evidence. The panel shall have the power to fix all procedural rules relating to the arbitration proceeding but cross-examination and rebuttal shall be allowed.

(8) *Arbitration Award:* The arbitration panel shall render its decision within sixty (60) days after termination of the arbitration proceeding which decision shall be in writing and may state the reasons therefor. The decision of the majority of the panel shall be final and binding on the parties to the arbitration and may include interest at appropriate market rate(s) and any costs of the arbitration, including a reasonable allowance for attorney's fees. The panel shall not itself assess and award punitive or exemplary damages. Judgment may be entered upon the award in any state or federal court having jurisdiction thereof.

(9) *Cost of Arbitration:* Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the expense of the umpire. In the event that both arbitrators are chosen by the initiating party, as provided for in paragraph (4) of this Condition (r), the initiating party and the responding party shall each pay half of the expenses of both arbitrators and the umpire. The remaining costs of the arbitration proceeding shall be allocated by the panel.

(s) *Currency*

(1) The premiums and losses under this POLICY are payable, and the amounts set forth in the Declarations are expressed, in United States currency.

(2) If judgment is rendered or settlement is denominated, or another element of ULTIMATE NET LOSS is stated, in a currency other than United States currency, payment under this POLICY shall be made in United States currency at the rate of exchange prevailing on the date the final judgment is rendered, the amount of the settlement is agreed upon or the other element of ULTIMATE NET LOSS is due, respectively.

V. DEFINITIONS

As used in this POLICY:

(a) "ADVERTISING OFFENSE" means DAMAGES arising out of the INSURED'S advertising activities on account of libel, slander, defamation, invasion of right of privacy, piracy, unfair competition, idea misappropriation under an implied contract, or infringement of copyright, title or slogan (other than a patent) committed in any advertisement, publicity article, broadcast or telecast;

(b) "AIRCRAFT" means any heavier than air or lighter than air aircraft designed to transport any person or property, missile or spacecraft;

(c) "ANNUAL PERIOD" means the period of twelve months commencing at:

(1) the effective date of cancellation or the Expiration Date of the POLICY PERIOD; or

(2) the expiration date of any prior ANNUAL PERIOD;

(d) "AUTOMOBILE" means a land motor vehicle, trailer or semi-trailer;

(e) "CLAIM" means:

(1) any written demand, suit or proceeding against any INSURED by a specifically identified person, entity or asserted class for DAMAGES because of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE; or

(2) any written notice of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE by any specifically identified person, entity or asserted class;

(f) "COMPANY" means the American Excess Insurance Association on behalf of its member insurance companies as set forth in Endorsement Number 1 to this POLICY;

(g) "DAMAGES" mean all forms of compensatory damages, and punitive or exemplary damages, but "DAMAGES" do not include governmental, civil or criminal fines or penalties or DEFENSE EXPENSES;

(h) "DEFENSE EXPENSES" means reasonable and necessary legal fees and other expenses which are incurred by or on behalf of the INSURED in the investigation, adjustment, settlement or litigation of claims and which are paid as a consequence of an OCCURRENCE covered hereunder; excluding all salaries of the INSURED'S employees, officers and directors and office expenses;

(i) "EXTENDED REPORTING PERIOD" means the period, if applicable, commencing, with respect to the INSURED, at the effective date of cancellation or the Expiration Date stated in Item 4 of the Declarations or, with respect to a former subsidiary or affiliate of the NAMED INSURED, at the automatic expiration date provided for in Condition (m) hereof and terminating as provided in paragraph I(b) or Condition (m) hereof, whichever is applicable;

(j) "INSURED" means the following to the extent set forth below:

(1) the NAMED INSURED and, if the NAMED INSURED is designated in Item 1 of the Declarations as a partnership or joint venture, the partnership or joint venture so designated and each partner or member thereof but only with respect to his or its liability as a partner or member;

(2) (A) any subsidiary or affiliate of the NAMED INSURED whose accounts, as of the date of the financial statements of the NAMED INSURED submitted to the COMPANY most recently prior to the rating of the premium for the POLICY PERIOD:

(i) are consolidated in the financial statements of the NAMED INSURED in accordance with generally accepted accounting principles in the United States of America (or, in the case of any foreign NAMED INSURED, any subsidiary or affiliate whose accounts would be consolidated in the financial statements of such NAMED INSURED if such accounts would have been consolidated in accordance with generally accepted accounting principles in the United States of America); or

(ii) were eligible for such consolidation and whose financial statements were submitted to the COMPANY as of such date; and/or

(B) any subsidiary or affiliate of the NAMED INSURED listed on Schedule A hereto;

(3) (A) any executive officer, other employee or director of; or

(B) any person or organization while acting as real estate manager for;

any person or entity named in paragraph (1) or (2) of this Definition (j) while acting within the scope of his or its duties as such; except with respect to the ownership, maintenance or use, including loading and unloading, of any AUTOMOBILE;

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(4) with respect to the ownership, maintenance or use, including loading and unloading, of any AUTOMOBILE:

(A) owned by, lent to or hired for use by or on behalf of any person or entity named in paragraph (1) or (2) of this Definition (j), any person (including an employee of such person or entity) while using such AUTOMOBILE and any person or organization legally responsible for the use thereof, provided its actual use is with the permission of such person or entity;

(B) not owned by, lent to or hired for use by or on behalf of any person or entity named in paragraph (1) or (2) of this Definition (j), any executive officer, director, partner, employee or stockholder of such person or entity, but only while such AUTOMOBILE is being used in the business of such person or entity;

but none of the following shall be an INSURED under this paragraph (4) of Definition (j):

(C) any person while employed in or otherwise engaged in duties in connection with an AUTOMOBILE sales agency, repair shop, service station, storage garage or public parking place not operated by any person or entity named in paragraph (1) or (2) of this Definition (j);

(D) the owner or lessee (of whom such person or entity is sub-lessee) of any AUTOMOBILE hired for use by or on behalf of or lent to such person or entity, and any agent or employee of such owner or lessee;

(5) any person or organization except:

(A) any organization acquired or formed by or merged with an INSURED after the inception of the POLICY PERIOD; and/or

(B) where such other person or organization is engaged in a joint venture with the NAMED INSURED;

to whom any person or entity named in paragraph (1) or (2) of this Definition (j) is obligated by virtue of a written contract or agreement to provide insurance such as is afforded by this POLICY, but only to the extent of such obligation and only with respect to operations (other than commercial insurance operations) performed by such person or entity or facilities owned or used by such person or entity;

(6) it is agreed to automatically include as an INSURED without adjustment of premium under this POLICY, any entity acquired or formed by or merged with an INSURED (a "Potential Additional INSURED") subsequent to the Inception Date stated in Item 4 of the Declarations and prior to the effective date of cancellation of the POLICY or the Expiration Date stated in Item 4 of the Declarations provided that the fair value of the sum of all cash, securities, assumed indebtedness and other consideration expended by all INSUREDS for any such acquisition, formation or merger does not exceed 5% of the total assets of the NAMED INSURED and its consolidated subsidiaries and affiliates as most recently reported to the COMPANY for rating purposes prior to the POLICY PERIOD, and provided further, that neither the operations of the Potential Additional INSURED prior to such acquisition, formation or merger nor the resultant combined or consolidated operations of such INSURED and the Potential Additional INSURED subsequent to such acquisition, formation or merger are materially different from those of such INSURED prior to such acquisition, formation or merger. Unless notice to the COMPANY shall have been given and any additional premium required by the COMPANY shall have been paid in respect of the acquisition or formation of or merger with any Potential Additional INSURED not meeting the criteria set forth in this paragraph (6) of Definition (j), such Potential Additional INSURED shall not be an INSURED hereunder; provided, however, it is understood and agreed that the COMPANY shall have no obligation to insure such Potential Additional INSURED hereunder and may in its sole discretion decline to provide insurance for such Potential Additional INSURED not meeting the criteria set forth in this paragraph (6). With respect to any OCCURRENCE giving rise to liability of any Potential Additional INSURED that qualifies to be an INSURED hereunder, the RETROACTIVE DATE shall be:

(A) in the case of automatic inclusion, the date of acquisition, formation or merger of the Potential Additional INSURED by an INSURED; or

(B) in the case where an additional premium is paid, the date of acquisition, formation or merger of the Potential Additional INSURED by an INSURED or such other date as may be agreed between the NAMED INSURED and the COMPANY;

(k) "INSURED'S PRODUCTS" means:

(1) goods or products manufactured, sold, tested, handled or distributed by the INSURED or others trading under its name if the end-use thereof occurs after possession of such goods or products has been relinquished to others by the INSURED or by others trading under its name and if such use occurs away from premises owned, rented or controlled by the INSURED; provided such goods or products shall be deemed to include any container thereof other than an AUTOMOBILE, WATERCRAFT or AIRCRAFT; and/or

(2) materials that were the subject of completed or abandoned OPERATIONS of the INSURED;

(l) "NAMED INSURED" means the person or organization first named in Item 1 of the Declarations;

(m) "OCCURRENCE" means:

(1) an event or a continuous, intermittent or repeated exposure to conditions which causes, allegedly causes or is deemed to cause PERSONAL INJURY or PROPERTY DAMAGE or gives rise, allegedly gives rise or is deemed to give rise to ADVERTISING OFFENSE, where:

(A) the event or conditions commence subsequent to the RETROACTIVE DATE and prior to the effective date of cancellation or the Expiration Date stated in Item 4 of the Declarations;

(B) all of such PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE commences subsequent to the RETROACTIVE DATE; and

(C) some of such PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE commences prior to the effective date of cancellation or the Expiration Date stated in Item 4 of the Declarations; or

(2) use of an INSURED'S PRODUCT:

(A) which causes, allegedly causes or is deemed to cause PERSONAL INJURY or PROPERTY DAMAGE where some of such PERSONAL INJURY or PROPERTY DAMAGE commences prior to the effective date of cancellation or the Expiration Date stated in Item 4 of the Declarations;

and, except as may be specifically agreed between the NAMED INSURED and the COMPANY in an endorsement hereto:

(B) where all PERSONAL INJURY and PROPERTY DAMAGE resulting from such use commences entirely at or subsequent to the RETROACTIVE DATE; and

(C) where the INSURED at the Inception Date stated in Item 4 of the Declarations has no knowledge or notice of any defect or hazard or alleged defect or hazard associated with the INSURED'S PRODUCTS or similar products causing or allegedly causing such PERSONAL INJURY or PROPERTY DAMAGE;

and which PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE is reasonably neither expected nor intended by the INSURED.

Where the INSURED becomes liable for a series of and/or several losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES which result directly or indirectly from the same or substantially the same event, conditions, cause, defect or hazard or alleged defect or hazard or failure to warn or alleged failure to warn of such, all such losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES shall be added together and shall be treated as one OCCURRENCE irrespective of the period or area over which the losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES occur or the number of such losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES.

With respect to losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES resulting or alleged to result from the design, formulation, manufacture, distribution, use, operation, maintenance or repair of an INSURED'S PRODUCT or the failure to warn as to the use, operation or maintenance of an INSURED'S PRODUCT, the term "the same or substantially the same event, conditions, cause, defect or hazard or alleged defect or hazard or failure to warn or alleged failure to warn of such" shall mean any such design, formulation, manufacture, distribution, use, operation, maintenance, repair or failure to warn, as the case may be, from which such losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES directly or indirectly result;

(n) "OPERATIONS" means operations of the INSURED away from premises owned, rented or controlled by the INSURED and includes materials, parts or equipment furnished in connection therewith. OPERATIONS shall be deemed completed at the earliest of the following times:

(1) when all OPERATIONS to be performed by or on behalf of the INSURED under the contract have been completed;

(2) when all OPERATIONS to be performed by or on behalf of the INSURED at the site of the OPERATIONS have been completed; or

(3) when the portion of the work out of which the injury or damages arise has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing OPERATIONS for a principal as a part of the same project;

(o) "OTHER INSURANCE" means any other insurance available to the INSURED which, irrespective of the existence of this POLICY, indemnifies the INSURED for, or pays on behalf of the INSURED, DAMAGES or DEFENSE EXPENSES with respect to an OCCURRENCE for which DAMAGES or DEFENSE EXPENSES, depending on the amount(s) thereof, may be indemnifiable or payable under this POLICY; except OTHER INSURANCE does not include insurance under any policy or policies issued by the COMPANY or insurance under any policy or policies in which this POLICY is specifically scheduled as underlying insurance or under any policy which is scheduled in this POLICY as insurance in excess of this POLICY;

(p) "PER OCCURRENCE UNDERLYING AMOUNT" means the amount stated in Item 3 of the Declarations;

(q) "PERSONAL INJURY" means:

(1) bodily injury, shock, fright, mental injury, mental anguish, disability, sickness or disease sustained by any person, including death at any time resulting therefrom;

(2) injury arising out of false arrest, detention or imprisonment, malicious prosecution, wrongful entry or eviction or other invasion of the right of private occupancy, humiliation or discrimination because of race, religion, age, sex or physical disability (unless insurance therefor is prohibited by law); and

(3) except with respect to injury occurring in the course of the INSURED'S advertising activities, injury arising out of the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy;

(r) "POLICY" means all the terms of insurance issued by the COMPANY to the NAMED INSURED for the POLICY PERIOD set forth in Item 4 of the Declarations including the Application herefor, the Declarations and Schedules hereto and any Endorsements at any time endorsed hereon;

(s) "POLICY PERIOD" means the period set forth in Item 4 of the Declarations commencing with the Inception Date and terminating with the effective date of cancellation or the Expiration Date;

(t) "POLLUTANT" means any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance which may, does or is alleged to affect adversely the environment, property, persons or animals, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and WASTE;

(u) "PROPERTY DAMAGE" means:

(1) physical injury to or destruction of tangible property including the loss of use thereof at any time resulting therefrom; or

(2) loss of use of tangible property which has not been physically injured or destroyed;

(v) "RETROACTIVE DATE" means the time and date stated in Item 5 of the Declarations or, with respect to any Potential Additional INSURED, the date provided for in paragraph (6) of Definition (j);

(w) "ULTIMATE NET LOSS" means the total sum which the INSURED shall become obligated to pay as DAMAGES and/or DEFENSE EXPENSES on account of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE, either by final judgment against the INSURED after trial or by settlement approved in writing by the COMPANY after making proper deduction for all recoveries and salvages collectible;

(x) "WASTE" means POLLUTANTS that are or are to be disposed of or stored for or as disposal, or are to be or are being recycled, reconditioned or reclaimed;

(y) "WATERCRAFT" means any ship or vessel of whatever type including, but not limited to, cargo vessels, passenger vessels, other vessels used for transport, towboats and barges, vessels used in the construction of pipelines, platforms or other facilities, storage vessels, tanker vessels, drill ships, offshore drilling platforms, drilling barges (including, without limitation, submersible drill barges, semi-submersible drill barges and self-elevating drill barges) and all other vessels of whatever nature and description, all whether or not self-propelled.

IN WITNESS WHEREOF, each of the members of the COMPANY has caused this POLICY to be signed on its behalf by the President and a Secretary of the COMPANY and countersigned on the Declarations Page by a duly authorized agent of the COMPANY.

Norma C. Colgan
Secretary

President

Schedules

A. Subsidiaries or affiliates which form part of the NAMED INSURED — See Definition (j)(2)(B)

B. Additional premiums for the EXTENDED REPORTING PERIOD — See Coverage (b)

Year of Extended Reporting Period	Per Cent of Premium Stated in Item 6 of the Declarations	Year of Extended Reporting Period	Per Cent of Premium Stated in Item 6 of the Declarations
1st year	12%	4th year	8 %
2nd year	10%	5th year	6 %
3rd year	8 %		

C. COMPANY'S Short Rate Table — See Condition (q)

Days Policy In Force	Per Cent of Premium Stated in Item 6 of the Declarations	Days Policy In Force	Per Cent of Premium Stated in Item 6 of the Declarations	Days Policy In Force	Per Cent of Premium Stated in Item 6 of the Declarations
1	5%	95–98	37%	219–223	69%
2	6	99–102	38	224–228	70
3–4	7	103–105	39	229–232	71
5–6	8	106–109	40	233–237	72
7–8	9	110–113	41	238–241	73
9–10	10	114–116	42	242–246	74
11–12	11	117–120	43	247–250	75
13–14	12	121–124	44	251–255	76
15–16	13	125–127	45	256–260	77
17–18	14	128–131	46	261–264	78
19–20	15	132–135	47	265–269	79
21–22	16	136–138	48	270–273	80
23–25	17	139–142	49	274–278	81
26–29	18	143–146	50	279–282	82
30–32	19	147–149	51	283–287	83
33–36	20	150–153	52	288–291	84
37–40	21	154–156	53	292–296	85
41–43	22	157–160	54	297–301	86
44–47	23	161–164	55	302–305	87
48–51	24	165–167	56	306–310	88
52–54	25	168–171	57	311–314	89
55–58	26	172–175	58	315–319	90
59–62	27	176–178	59	320–323	91
63–65	28	179–182	60	324–328	92
66–69	29	183–187	61	329–332	93
70–73	30	188–191	62	333–337	94
74–76	31	192–196	63	338–342	95
77–80	32	197–200	64	343–346	96
81–83	33	201–205	65	347–351	97
84–87	34	206–209	66	352–355	98
88–91	35	210–214	67	356–360	99
92–94	36	215–218	68	361–365	100

D. WATERCRAFT and risks not excluded under Exclusion (b).

TUGBOAT "SATIN LADY" IN BALTIMORE, MD.

3 BARGES IN BALTIMORE, MD

OUTBOARD IN JOLIET, IL

LIABILITY OF INSURERS ENDORSEMENT

Endorsement Number 1. Effective Date of Endorsement OCTOBER 1ST 1988

Attached to and forming part of POLICY Number HR000027688

NAMED INSURED HANSON INDUSTRIES

It is hereby understood and agreed between the NAMED INSURED and the insurance companies listed below, which are the members of American Excess Insurance Association (referred to in the POLICY as "the COMPANY"), as follows:

(1) the insurance afforded by this POLICY is provided by the several separate insurance companies listed below (hereafter the "insurance companies") and not by the American Excess Insurance Association which is not an insurance company;

(2) the liability of the insurance companies shall be several and not joint. The liability of each insurance company shall be separate and apart from the liabilities of all other insurance companies and in no event shall any insurance company participate in the liability of any other insurance company;

(3) the maximum liability of all the insurance companies shall be the total of the percentage participations of such insurance companies as listed below, which total of percentage participations is 100 % of $75,000,000;

(4) each insurance company shall only be liable under the POLICY for the percentage, set opposite its name below, of any ULTIMATE NET LOSS; provided that:

(A) in the event that the total of the percentage participations of the insurance companies listed below is less than 100% of $ 75,000,000, then, in respect of any ULTIMATE NET LOSS, irrespective of the amount thereof, the INSURED shall have no right of recovery under this POLICY for the uninsured percentage of such ULTIMATE NET LOSS, which uninsured percentage is the percentage by which such total of the percentage participations is less than 100%;

(B) in no event shall any insurance company pay more than the percentage set opposite its name of the amount stated in Item 2 of the *Declarations* as the *COMPANY'S Limit of Liability;*

(C) in the event that any insurance company for any reason whatsoever, including but not limited to the insolvency or financial impairment of such insurance company, is unable or refuses to indemnify any INSURED in respect of the percentage of any ULTIMATE NET LOSS for which such insurance company is liable, no other insurance company or companies shall be liable for such percentage and the INSURED shall have right of recovery of such percentage only from the insurance company which is so unable or so refuses.

INSURANCE COMPANIES	PERCENTAGE PARTICIPATION
THE AETNA CASUALTY AND SURETY COMPANY	16.33%
AMERICAN HOME ASSURANCE COMPANY	7.50%
CONTINENTAL CASUALTY COMPANY	7.50%
FEDERAL INSURANCE COMPANY	8.83%
THE CONTINENTAL INSURANCE COMPANY	7.50%
UNITED STATES FIRE INSURANCE COMPANY	7.50%
GENERAL STAR NATIONAL INSURANCE COMPANY	1.33%
THE HOME INSURANCE COMPANY	1.33%
INSURANCE COMPANY OF NORTH AMERICA	13.34%
MARYLAND CASUALTY COMPANY	1.50%
NORTH AMERICAN COMPANY FOR PROPERTY AND CASUALTY INSURANCE	1.50%
ROYAL INSURANCE COMPANY OF AMERICA	4.00%
THE TRAVELERS INDEMNITY COMPANY	13.34%
ZURICH INSURANCE COMPANY, U.S. BRANCH	8.50%

Clinton N. Greene President

Signature of Authorized Representative
Farmington Management, Inc.

MANDATORY ENDORSEMENT

(For Use on Policies Issued In New York)

It is agreed that such insurance as is afforded by the Policy is amended as follows:

1. "Pay On Behalf Of" is substituted for "Indemnify" whenever such word appears in the Policy.

2. By the addition of "... or the licensed agent of the Company ..." after the word "... Company ..." in the seventh (7th) line of IV Condition (c) Notice of Occurrence or Claim.

3. IV condition (q) Cancellation is amended to read as follows:

"(q) Cancellation of Non-Renewal

This POLICY may be cancelled:

(1) at any time by the NAMED INSURED by delivering written notice to the COMPANY stating when cancellation shall be effective; or

(2) by the COMPANY by delivering written notice to the NAMED INSURED stating when, not less than ninety (90) days from the date notice was delivered, cancellation shall be effective; except, in the event of cancellation for nonpayment of premiums, such cancellation shall become effective fifteen (15) days after the date notice is delivered. Payment or tender of unearned premium is not a condition of cancellation. After the new or renewal POLICY has been in force for more than sixty (60) days, the POLICY may be cancelled by the COMPANY only if:

(a) required pursuant to a program approved by the Superintendent of Insurance of the State of New York as necessary because a continuation of the present premium volume would be hazardous to the interests of policyholders of the COMPANY, its creditors or the public, or

(b) the cancellation is based on one or more of the following reasons:

(A) Non-payment of premium,

(B) Conviction of a crime arising out of acts increasing the hazard insured against,

(C) Discovery of fraud or material misrepresentation in obtaining the POLICY or in the presentation of a claim thereunder,

(D) Discovery of willful or reckless acts or omissions increasing the hazard insured against,

(E) Physical changes in the property insured occurring after issuance or last annual anniversary date of the POLICY which result in the property becoming uninsurable in accordance with the COMPANY'S objective, uniformly applied underwriting standards in effect at the time the POLICY was issued or last voluntarily renewed, or

(F) A determination by the Superintendent of Insurance of the State of New York that the continuation of the POLICY would violate or would place the COMPANY in violation of the laws of the State of New York.

In the event the POLICY is non-renewed by the COMPANY, written notice of its intention to non-renew shall be delivered by the COMPANY to the NAMED INSURED at least sixty (60) days prior to the termination or renewal date of the POLICY. Such notice shall state the reasons for non-renewal. No increase in rates for such POLICY shall be imposed unless written notice of intention thereof is delivered to the NAMED INSURED at least sixty (60) days prior to the anniversary date of such POLICY.

Delivery by hand of such notice either by the NAMED INSURED or the COMPANY shall be sufficient delivery. Written notice shall be deemed sufficient delivery if sent by certified mail, return receipt requested, or by telex and receipt is acknowledged. The POLICY PERIOD shall end on the effective date and hour of cancellation stated in the notice.

In the event of cancellation by the INSURED, the premium retained by the COMPANY shall be calculated in accordance with the COMPANY'S short rate table which is attached hereto as Schedule C. In the event of cancellation by the COMPANY, the premium retained by the COMPANY shall be calculated pro-rata based upon the duration of the POLICY PERIOD.

For purposes of notice required under this condition (q) or pursuant to regulation, the offer by the COMPANY of renewal on terms or premiums different from those in effect during the POLICY PERIOD shall not constitute cancellation or non-renewal of this POLICY by the COMPANY."

4. The definition of (g) "DAMAGES" of V Definitions is amended to read as follows:

   "DAMAGES" means damages on account of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE, but "DAMAGES" do not include governmental, civil or criminal fines or penalties and "DEFENSE EXPENSES".

5. Subparagraph 2 of (q) "PERSONAL INJURY" is amended to read as follows:

   "(2) injury arising out of the false arrest, detention or imprisonment, malicious prosecution, wrongful entry or eviction or other invasion of the right of private occupancy, or humiliation; and ..."

It is further agreed that as a consequence of this amendment, coverage for injury arising out of the discrimination is excluded and is not covered by the Policy.

American Excess Insurance Association

(This application to be used for applicants domiciled in New York State only)

THIS IS A REPORTED OCCURRENCE POLICY WHICH CONTAINS CERTAIN FEATURES THAT ARE ANALOGOUS TO THE ONES FOUND IN CLAIMS MADE POLICIES. PLEASE READ THE ENTIRE POLICY CAREFULLY.

"DEFENSE EXPENSES" ARE INCLUDED IN THE LIMITS OF LIABILITY OF THE POLICY AND ARE INCLUDED IN THE "PER OCCURRENCE UNDERLYING AMOUNT".

This Policy Application must be completed in its entirety. When appropriate, questions herein may be answered by specific reference to Form 10K sections(s) or other material attached hereto.

1. (a) *Name and Address of Applicant* (To appear as Named Insured if policy is issued):

   HANSON INDUSTRIES
   410 PARK AVENUE
   NEW YORK, N.Y. 10022

   (b) State of Incorporation: ____________________

   (c) Effective Date of Coverage: OCTOBER 1, 1988

2. Subsidiaries or affiliates of Applicant whose accounts are consolidated in the financial statements of the Applicant (attach list or make reference to listing in Form 10K or *Annual Report of Applicant*).

   SEE EXHIBIT #1

3. If Applicant is foreign, attach list of subsidiaries or affiliates whose accounts would have been consolidated in accordance with generally accepted accounting principles in the United States.

4. List on Schedule A (to be attached to and form a part of the policy when issued) any other subsidiary, affiliate, associated company or joint venture to be insured.

5. If other than the Named Insured above shall represent all insureds in all matters under this policy (such as *but not limited to: premium payment*, negotiation of renewal terms, payment of claims), indicate name and address (to appear as Named Insured's representative if policy is issued):

6. Describe each joint venture in which the Applicant has an interest greater than 10% and/or which has assets in excess of $25,000,000:

Project Name	Participant	Brief Description of Joint Venture
NONE		

7. Attach a copy of the latest Annual Report and Form 10K (or the equivalent if not applicable) of the Applicant and each company listed on Schedule A for the most recent year.

8. Estimates of:

(a) Annual Payroll (in U.S. dollars)

1-USA $ 865,325,015 2-Canadian $ INCLUDED 3-Foreign $ 50,900,000.

(b) Annual Sales (in U.S. dollars) EXCLUDING AIRCRAFT PRODUCTS:

1-USA $ 5,469,521,000 2-Canadian $ 42,600,000 3-Foreign $ 97,207,700

Describe any "Inter-Company Sales" exceeding 10% of the total:

N/A

(c) Number of Employees

1-USA $ 71,950. 2-Canadian $ INCLUDED 3-Foreign $ 3300

(d) 1. Annual Advertising Expenditure (in U.S. dollars)

$ 45,500,000.

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2. Type of media use and proportion of total expenditure on each

MAGAZINES - 19%; TRADE JOURNALS - 11%; EXHIBITS - 7%; PROMOTIONAL LITERATURE - 12%; TELEVISION - 18%; RADIO - 4%; NEWSPAPER - 13%; OTHERS - 16%

(e) If the Applicant has any exposure under the following, indicate payrolls:

1. Jones Act 110,000 (CODE 7028)

2. Federal Employers Liability Act NO KNOWN PAYROLLS

9. Automotive power units: (estimated total owned & leased by type)

(a) Private passenger 1950 Trucks and Tractors 1813

School buses NONE KNOWN Taxi-Livery NONE KNOWN

(b) Type of cargo hauled (elaborate where inflammable/explosive substances hauled)

INSURED'S OWN PRODUCTS AND LIMITED COMMON CARRIER (MW MFG)

(c) Give details of long haul (over 500 miles — one way) operations

A&S; ANDERSON-HICKEY; BROWN MOLDING; MW MFG; COLUMBIA LIGHTING AND PRESCOLITE WILL HAUL OWN GOODS IN EXCESS OF 500 MILES ON SOME TRIPS

10. Description of Operations:

(a) Describe any details of operations not otherwise contained in the attached Form 10K or annual report (e.g., occupancy type risks — number and size; construction type risks — tunnel and dam work — turnkey; utilities — dams; etc.):

SEE EXHIBIT #1

(b) Describe any discontinued operations or sold entities for which coverage is required. Describe products and the disposition of product liability:

SEE EXHIBIT # 2

(c) Describe any areas of expected expansion, change, or new products in next 6 months:

HANSON INDUSTRIES HAS, AND WILL CONTINUE TO ACQUIRE COMPANIES WHICH FIT INTO ITS MAJOR BUSINESS SEGMENTS WHEN THE PROPER OPPORTUNITY ARISES.

11. (a) Describe any non-owned, owned, leased or chartered watercraft or watercraft risks for which coverage is requested:

TUG BOAT "SATIN LADY" (BALTIMORE, MD)

3 BARGES (BALTIMORE, MD)

1 OUTBOARD (JOLIET, IL)

(b) Describe any railroad exposures including details of any facilities/operations owned or operated (other than incidental sidings and premises grade crossings):

INCIDENTAL SIDE TRACK AGREEMENTS ONLY

(c) Describe any intra-city light-rail exposure (e.g., subway, street car, etc.) for which coverage is requested: NO KNOWN EXPOSURE

Description of Operations	Number of Passenger Cars	Miles of Track	Number of Passengers Annually

(d) Describe any bus operations for which coverage is requested:

Description of Operations	Number of Buses	Miles Travelled	Number of Passengers Annually
Inter-city			
Intra-city			
School Buses			
Tours			
Other			

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12. With respect to malpractice and professional liability exposures, state:

A. 1. Medical (incidental to other operations):

(a) Number of doctors employed: 4 FULL TIME

(b) Number of nurses employed: 27

(c) If Hospital or Medical facilities are maintained by the Applicant, give location, number of beds, occupancy rate and other pertinent information:

N/A

(d) Do any patients, not employees of the Applicant, use the services of such doctors, nurses or hospitals?

N/A

Indicated percentage of non-employee patients

2. Medical (other than incidental): INCIDENTAL ONLY

(a) List all hospitals or medical facilities showing location, number of beds and occupancy rate, outpatient visits:

N/A

(b) List nursing homes operated showing number of beds:

N/A

B. Non-medical (e.g., Architects, Engineers, Accountants, Lawyers, etc.). Describe extent to which such services are provided to third parties:

NO KNOWN EXPOSURES

13. Attach a list or describe below the products manufactured, handled, distributed or sold or services performed under the following classifications:

Classification	Description	Annual Sales Domestic $	Annual Sales Foreign $
(a) Aircraft and/or Aerospace Products or any material or substance supplied directly to or for the use by the Aircraft and/or Aerospace Industry	SEE EXHIBIT #1		
(b) Pharmaceuticals — Medical (Submit lists of prescription and non-prescription medical care products)			
(c) Birth control drugs or devices			
(d) Chemical and petrochemicals			
(e) Nuclear energy			
(f) Pollution control devices			
(g) Other products, or major services performed			

14. Real & Personal Property: (over $10,000,000 in value per location)

(a) Schedule locations of leased premises and indicate use and if Applicant is held harmless and/or named as an additional insured in landlords policy:

NONE KNOWN

(b) Schedule locations where personal property of others is in Applicant's Care, custody or control. (e.g., Data Processing Equipment, Leased Machinery or Equipment, Goods for Storage or Processing, etc.):

15. *Contractual/Hold Harmless/Indemnity Agreements* — provide details of any which could reasonably be considered to be outside of the scope of those agreements normally entered into by the Applicant in the normal course of operations and any other such agreements which may be material to the Applicant's legal liability or where the sole negligence of the indemnity is assumed:

NO KNOWN EXPOSURES OUTSIDE OF THOSE WHICH ARE NORMALLY ENTERED INTO BY THE APPLICANT.

16. Describe loss control and loss prevention measures which Applicant employs and would like the underwriter to consider. Attach a copy of the program if appropriate. Is the program self-administered? If administered by a service company or insurance company, name of administrator:

VARIOUS ENGINEERING SERVICES ARE UTILIZED BY HANSON TO PROVIDE LOSS CONTROL ASSISTANCE INCLUDING F. S. JAMES, NATLSCO AND SELF-ADMINISTERED PROGRAMS

17. List on Schedule B all liability insurance of the Applicant. List layered policies in ascending order of attachment, including layers retained by Applicant:

18. As Respects Underlying Insurance (respond below or in additional comments column on Schedule B):

    (a) Explain any exclusions to standard General Liability Policy coverage:

    (b) Indicate deductibles, self-insured retentions, retrospective rating plans or other funding mechanisms in the amount of $1 million or more per occurrence/accident:

19. List on Schedule C a summary of losses by year (insured and uninsured) for the past 10 years by line of coverage, e.g.:

    SEE EXHIBIT # 3

    (a) Automobile Liability
    (b) General Liability
    (c) Products and Completed Operations Liability
    (d) Etc.

20. Indicate any losses included on Schedule C which are caused by or alleged to be caused by pollution:

LOSS EXHIBITS DO NOT INCLUDE ANY POLLUTION RELATED CLAIMS

21. On Schedule D itemize and give details on all losses shown on Schedule C which exceed $1,000,000. (Paid, outstanding, and allocated expenses). SEE EXHIBIT #4

(a) caused by a single occurrence, and separately,

(b) caused by any defect or hazard or alleged defect or hazard associated with insured's product or operations completed or abandoned by the Applicant.

22. If any of the losses on Schedules C or D have been handled or reserved amounts established through a service contract rather than by an insurance company for its own account, give details below. (Include name of individual or organization; if Applicant has self-administered his own losses, furnish information about individual(s) responsible for handling and their qualifications and procedures; if a claim audit has been made in the past year by an independent service, attach report).

SEE EXHIBIT #5

23. Is the Applicant aware of:

(a) any event or conditions which might reasonably be expected to give rise to a loss or liability in excess of $1,000,000?
Describe:

NONE KNOWN

(b) any defect or hazard or alleged defect or hazard associated with the Applicant's products or operations completed or abandoned by the Applicant which might reasonably be expected to give rise to a loss or liability in excess of $1,000,000 in aggregate?
Describe:

NONE KNOWN

24. Describe any ongoing investigations into the Applicant's products or operations by any governmental body:

NONE KNOWN

25. Additional Comments (optional)

AMERICAN EXCESS INSURANCE ASSOCIATION

28. THE APPLICANT, BASED ON REASONABLE INQUIRY (INCLUDING BUT NOT LIMITED TO REASONABLE INQUIRY OF THE LEGAL AND RISK MANAGEMENT DEPARTMENTS OF THE APPLICANT), WARRANTS TO THE BEST OF ITS KNOWLEDGE AND BELIEF THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE AND THAT NO MATERIAL INFORMATION HAS BEEN WITHHELD. IT IS UNDERSTOOD THAT THE COMPANY MAY REQUEST ADDITIONAL INFORMATION WHICH, WHEN SUBMITTED, WILL BECOME PART OF THIS APPLICATION AND SUBJECT TO THE FOREGOING WARRANTY.

SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO ACCEPT INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE INSURANCE SHOULD A POLICY BE ISSUED.

BY SIGNING THIS APPLICATION, THE APPLICANT ACKNOWLEDGES THAT IT HAS RECEIVED THE ATTACHED SPECIMEN POLICY AND AGREES TO BE BOUND BY THE MANDATORY ARBITRATION PROVISION SHOULD A POLICY BE ISSUED.

THE APPLICANT FURTHER WARRANTS THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE INCEPTION DATE OF THE POLICY PERIOD, IT WILL IMMEDIATELY NOTIFY THE COMPANY.

THE APPLICANT FURTHER ACKNOWLEDGES THAT IT HAS RECEIVED INFORMATION FROM THE COMPANY DESCRIBING THE LIMITED SCOPE OF COVERAGE AND THE POTENTIAL COVERAGE GAPS INHERENT IN THE POLICY FORM.

NEW YORK LAW MANDATES THAT THE FOLLOWING WARNING BE GIVEN:

"ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME."

APPLICANT: HANSON INDUSTRIES
(Type)

BY (OFFICER OF APPLICANT): DONALD L. SCHOENEWOLF
(Type)

Donald L. Schoenewolf
(Signature)

TITLE: DIRECTOR OF RISK MANAGEMENT (Type) DATE: 9-13-88 (Type)

(IMPORTANT: PRODUCER SIGNATURE REQUIRED ON THE NEXT PAGE)

Submitted by (a duly authorized insurance producer representing a member of the Association):

Name of Firm: FRED. S. JAMES & CO. OF NEW ENGLAND, INC.
(Type)

Complete Mailing Address: 40 BROAD STREET
(Type)

BOSTON, MASSACHUSETTS 02109

Phone: 617-357-6600 Telex: 940227 Fax: 617-357-6755

Name of Authorized Representative: JOSEPH F. ZAVAGNIN, VICE PRESIDENT
(Type)

(Signature)

Association Member Represented:

Producers domiciled in Delaware, Maryland, New Jersey, New York, Pennsylvania and Canada should return the completed application to:

American Excess Insurance Association
Two World Trade Center
Suite 3870
New York, NY 10048
Phone Number: (212) 466-0097
Telex Number: 62943427 Fax Number: (212) 466-6303

All other producers should return the completed application to:

American Excess Insurance Association
RiverBend Executive Park
77 Hartland Street, Suite 400
East Hartford, CT 06108
Phone Number: (203) 528-2105
Telex Number: 62943426 Fax Number: (203) 282-9393

AMERICAN EXCESS INSURANCE ASSOCIATION
SCHEDULE A
AFFILIATED COMPANIES FORMING A PART OF NAMED INSURED
(Response to Item 4 of Application)

Name of Affiliated Company	Description of Operations and Procedures
SEE EXHIBIT #1	

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AMERICAN EXCESS INSURANCE ASSOCIATION
SCHEDULE C
SUMMARY LOSS INFORMATION

(Response to item 19 of the Application)

List below separately by line of coverage (Auto, General Liability, Products Completed Operations, etc.) and by policy year, total losses for each of the previous five complete years. Losses should be displayed on an occurrence basis unless a *claims made policy applied; in such a case,* so indicate under the comments column and give coverage particulars.

Line of Coverage	Policy Year	Total Number of claims	Total paid to Date Exclusive of Allocated Expenses $	Total Outstanding Exclusive of Allocated Expenses $	Allocated Expenses (Paid and Reserved) $	Total Incurred Loss $	Additional Comments (Retroactive date, extended reporting period, etc.)

see exhibit #3

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AMERICAN EXCESS INSURANCE ASSOCIATION
SCHEDULE D
INDIVIDUAL LOSS INFORMATION

(Response to item 21 of the Application)

Provide specific details of each individual loss (insured or not) in excess of $1,000,000 (show *full first Dollar amount for each loss*).

Line of Coverage	Date of Loss	Description of Loss	Total paid to date *Exclusive of* Allocated Expenses $	Total Outstanding Exclusive of Allocated Expenses $	Allocated Expenses (Paid and Reserved) $	Total Incurred Loss $

SEE EXHIBIT # 4

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EXHIBIT #1

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
BULLDOG DIVISIONS					
O. AMES CO	MANUFACTURERS AND DISTRIBUTORS OF A WIDE RANGE OF LAWN AND GARDEN TOOLS.	PARKERSBURG, WV ELYRIA, OH READING, PA	108,235	4,319	64
CARISBROOK	SUPPLIER OF DECORATOR PILLOWS, HASSOCKS, CUSHIONS AND CHAIR PADS. SPECIALITY TEXTILE MACHINERY FOR KNITTED FABRICS. QUALITY LACE PRODUCTS. HIGH QUALITY YARNS.	NEW YORK, NY ANNISTON, AL RICHMOND, VI MOORESVILLE, NC GLEN FALLS, NY WOODSIDE, NY CARYSBROOK, VI	210,000	31,950	83
ENDICOTT JOHNSON	MANUFACTURERS, RETAILERS, AND IMPORTERS OF SAFETY, SPORT AND CASUAL SHOES.	ENDICOTT, NY JOHNSON CITY, NY FORREST CITY, PA TUNKHANNOCK, PA FARMINGTON, MO CARLYLE, IL MILDRED, PA	295,226	74,500	97
HANSON CORPORATE	CORPORATE HEADQUARTERS	ISELIN, NJ	0	12,364	34

Class

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
HYGRADE FOOD PRODUCTS	FRANKFUTERS, PLUS A WIDE VARIETY OF PROCESSED MEATS, SUCH AS BACON, SMOKED SAUSAGES, PRESSED/SEMI-BONELESS/BONELESS HAMS AND BOLOGNA UNDER THE TRADE NAME "WEST VIRGINIA" AND OTHER TRADE NAMES.	DETROIT, MI TACOMA, WA CHICAGO, ILL BALTIMORE, MD LAVONIA, MI PHILADELPHIA, PA	250,000	21,847	36
KAISER CEMENT	CEMENT, CLINKER, CONCRETE, AND AGGREGATE.	OAKLAND, CA PERMANENTE, CA SAN ANTONIO, TX	90,000	14,471	63
TOTAL BULLDOG			953,461	159,451	377

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SINCLAIR INSURANCE CO., LTD.

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
SINCLAIR DIVISIONS					
THE GROUND ROUND	RESTAURANTS	178 LOCATIONS 30 OWNED 148 LEASED	245,000	61,198	38
A&S BUILDING SYSTEMS	PRE-ENGINEERED METAL BUILDING PARTS, AND COMPONENTS.	HOUSTON, TX CARYVILLE, TN	37,400	7,500	28
ANDERSON-HICKEY	LATERAL AND VERTICAL FILING CABINETS, DESKS, COMPUTER WORK STATIONS, CREDENZAS, STORAGE CABINETS, MACHINE STANDS, BOOKCASES, CONFERENCE & WORK TABLES, WOOD CHAIRS AND CONTEMPORARY PLASTIC CHAIRS.	HENDERSON, TX HALLS, TN	47,281	9,705	14
AXELSON	EQUIPMENT FOR THE PRODUCTION, PIPELINE AND PROCESSING SEGMENTS OF THE ENERGY BUSINESS.	LONGVIEW, TX COL. SPRINGS, CO.	39,301	12,744	176

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
BAYLIS BROTHERS	HAND-SMOCKED DRESSES FOR GIRLS NEWBORN THROUGH SIZE 14(POLLY FLINDERS, PRINCESS ANNE,ENFANT COUTURE).	CINNINNATI, OH BARBADOS, WI ST. VINCENT, WI	30,530	1,782	2
BROWN MOULDING	LINEAL WOOD MOLDING, FINGER JOINTS, PRE-CUT CASTINGS AND JAMBS.	MONTEVALLO, AL HOFFMAN, NC LAKE MONROE, FL SHREVESPORT, LA LOUISVILLE, KY ALBUQUERQUE, NM	93,227	7,709	100
COLUMBIA LIGHTING	SPEC GRADE FLUORESCEST LUMINAIRES FOR THE COMMERCIAL BUILDING MARKET	SPOKANE, WA GREENSBORO, NC	74,000	2,316	7
DUKE CITY LUMBER	DEMENSION LUMBER,BOARDS, TIMBERS TREATED LUMBER AND SOLID, FINGER JOINT AND VINYL CLAD MOULDINGS	ALBUQUERQUE, NM CUBA, NM ESPANOLA, NM WINSLOW, AZ SPLENDORA, TX	30,998	6,908	24

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
ENCINO SHIRT	SWEATER SHIRTS, MEN'S & BOY'S CUT & SEW KNITS, LADIES' WEAR	CONCORD, NC MT. PLEASENT, NC FAIRMONT, NC MOULTON, AL	17,000	4,948	7
GEORGIA BOOT	BOOTS AND SHOES FOR THE WORK, OUTDOORS LEISURE AND WESTERN WEAR MARKETS(GEORGIA BOOT, NORTHLAKE, DURANGO BOOT AND DURANGO WEST).	FRANKLIN, TN CHAPEL HILL, TN CENTERVILLE, TN BLAIRSVILLE, GA	65,600	17,445	8
HURON	VACUUM AND WATER FITTINGS, BRAZED AND WELDED ASSEMBLIES, SPACERS, PORT PLUGS, AUTOMOTIVE VALVES AND AIR PIPE FITTINGS.	LEXINGTON, MI	33,144	3,792	12
KEYSTONE LIGHTING	COMMERCIAL AND INDUSTRIAL FLUORESCENT LIGHTING FIXTURES.	BRISTOL, PA	109,798	10,876	13
LEON PLASTICS	MOLDED PLASTIC PARTS	GRAND RAPIDS, MI ALDA, NB	33,282	8,589	8

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
NJ MFG.	WOOD WINDOW, FLUSH DOORS, BIFOLD DOORS, CURVED PLYWOOD AND ADHESIVES.	ROCKEY MOUNT, NC FAYETTVILLE, NC THOMASVILLE, NC MIAMI, FL	105,061	17,764	25
KEVCO	PROMOTIONAL HOUSEWEARS	GARFIELD, NJ	10,800	1,232	2
PRESCOLITE	INDOOR AND OUTDOOR LIGHTING UTILIZING INCANDESCENT, HIGH INTENSITY DISCHARGE AND FLOURESCENT LIGHT SOURCES. DIMMING PRODUCTS LIGHTING CONTROL SYSTEMS.	SAN LEANDRO, CA CARROLTON, TX EL DARADO, AR PINE BROOK, NJ ONTARIO, CAN	72,010	20,496	43
RAU FASTENER	METAL SNAP FASTENERS, EYELETS, BUCKLES, AND OTHER MENTAL CLOSURES.	PROVIDENCE, RI MONTREAL, QUE	12,173	5,154	17
SUPERLITE	CONCRETE MASONARY UNITS AND ALUMINUM DOORS AND WINDOWS.	PHOENIX, AZ TEMPE, AZ WINONA, AZ	38,653	9,080	103

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
TETERS FLORAL TETERS, LTD. WINCO LIMITED	ARTIFICIAL POLYESTER FLOWERS, DRIED FLOWERS, TABLE AND WALL ARRANGEMENTS, CHRISTMAS DECORATIONS, MEMORIAL WREATHS AND SPRAYS.	BOLIVAR, MO HONG KONG	29,150	4,265	51
UNITED CHAIR	LATERAL AND VERTICAL FILING CABINETS, DESKS, COMPUTER WORK STATIONS, CREDENZAS, STORAGE CABINETS, MACHINE STANDS, BOOKCASES, CONFERENCE & WORK TABLES, WOOD CHAIRS AND CONTEMPORARY PLASTIC CHAIRS.	HENDERSON, TX HALLS, TN LEEDS, AL IRONDALE, AL	63,000	10,380	16
BALTIMORE SPICE	SPICES, HORS D'OEUVRES.	BALTIMORE, MD	57,310	6,446	32
DURKEE INDUSTRIAL	SPICES, SEASONINGS, EDIBLE OILS, DOUGH COATINGS, CONFECTIONARY COATINGS.	CLEVELAND, OH BALTIMORE, MD BETHLEHAM, PA SHARONVILLE, OH	237,300	22,885	174
PROCTOR-SCHWARTZ	INDUSTRIAL DRYING AND PROCESSING EQUIPMENT.	HORSHAM, PA	16,227	6,662	11

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
SCM CHEMICAL (PIGMENTS)	A WHITE INORGANIC PIGMENT (TITANIUM DIOXIDE) USED AS A WHITENER AND PACIFIER IN THE MANUFACTURER OF PAINTS, PAPER, PLASTICS AND RUBBER PRODUCTS	BALTIMORE, MD ASHTABULA,OH	503,729	33,116	49
SCM GLIDCO ORGANICS	PINE OILS, AROMA & FLAVORS, AND SPECIALITY SUBSTANCES BASED ONTERPENE, SILANE AND FLOURINE TECHNOLOGY	JACKSONVILLE, FL BRUNSWICK, GA GAINSVILLE, FL	32,000	8,086	11
SCM METALS	SPECIALITY FARROUS AND NON-FARROUS METALS, PRIMARILY COPPER.	RESEARCH TRIANGLE PARK, NC JOHNSTOWN, PA HAMMOND, IN	66,000	6,022	8
SMITH CORONA	PORTABLE TYPEWRITERS, SUPPLIES AND ACCESSORIES	CORTLAND, NY GENEVA, NY NEW CANAAN, CT	263,100	49,912	89
TOTAL SINCLAIR			2,363,074	357,012	1,068

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MAJOR INSURANCE CO., LTD.

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
KIDDE DIVISIONS					
ARCHITECTURAL AREA LIGHTING	OUTDOOR & LANDSCAPE LIGHTING, SECURITY & VANDALPROOF LIGHTING	LA MIRADA, CA	5,100	714	2
ARTESIANIAS BAJA	HANDCRAFTED INTERIOR AND EXTERIOR RESIDENTIAL LIGHTING FIXTURES & LAMPS.	TIUJUANA, BAJA CALIFORNIA, MX	N/A	N/A	6
ASSOCIATED TESTING LABORATORIES	ELECTRONIC TESTING, MILITARY & AEROSPACE QUALIFICATION TESTING, INDUSTRIAL TESTING, MARKETING RESEARCH, PACKAGE TESTING...	BURLINGTON, MA	5,400	1,765	2
ATLANTIC CONTRACT CARRIERS	CARRIERS	SCRANTON, PA	8,129	1,205	26
BAYLESS STATIONERS	OFFICE SUPPLIES & STATIONERY, OFFICE FURNITURE, INFO & DATA PROCESSING SUPPLIER	CARSON, CA	53,250	NJOS	47

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
BEAR ARCHERY CO.	ARCHERY PRODUCTS, BOWS & ARROWS, OUTDOOR & CAMPING EQUIPMENT	GAINSVILLE, FL	23,405	2,110	5
BEARING INSPECTION	AIRCRAFT ENGINE BEARING INSPECTION & OVERHAUL; RELUBE, MANUFACTURE OF ELECTRONIC TEST EQUIPMENT.	SANTA FE SPRINGS, CA SAO PAULO, SAN PAULO, BRAZIL	N/A	1,261	1
BRIGHT STAR INDUSTRIES, INC.	BATTERIES, DRY CELL, FLASHLIGHTS & LANTERNS	CLIFTON, NJ	11,254	3,892	13
W.D.BYRON & SONS	SPECIALTY LEATHERS	WILLIAMSPORT, MD	59,000	9,972	29
CHATAS GLASS	MICRO AND SEMIMICOR-INSTRUMENTS & APPARATUS, SCIENTIFIC & LABORATORY GLASS APPARATUS	VINELAND, NJ	715	345	0

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
CONTINENTAL OFFICE SUPPLY	(See SCOTT RICE)	DALLAS, TX	5,168	779	8
CRAIG SYSTEMS	MOBILE SHELTERS & VANS, SHELTER HANDLING EQUIPMENT AND SHOCK ISOLATING SYSTEMS, EQUIPMENT PALLETS & TRANSIT FRAMES (ASSOCIATED ENVIRONMENTAL SYSTEMS DIVISION)	AMESBURY, MA	14,750	6,651	1
DEVINE LIGHTING	CAST & EXTRUDED ALUMINUM LTG FIXTURES, AREA LTG, ARCHITECTURAL DECORATIVE LTG, ENVIRONMENTAL LTG, EMERGENCY LTG, EXIT LIGHT FIXTURES...	KANSAS CITY, MO	11,450	1,458	0
DOUGLAS RANDALL DIVISION	ELECTRICAL & ELECTRONIC COILS, ELECTROMECHANICAL ASSEMBLIES, FREQUENCY RESPONSE SWITCHES, LOGIC MODULES, PROPORTIONAL CONTROLS, TRANSFORMERS...	PAWCATUCK, CT	1,740	573	1

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
DURA STEEL	APARTMENT HOUSE MAILBOXES, LIGHTING FIXTURES, FIXTURES, MEDICINE CABINETS, MIRRORS, RANGEHOODS, CULTURED MARBLE, CULTURED ONYX & LYTON(TM) BATHTUBS...	SANTA FE SPRINGS, CA	12,500	2,903	6
EAN, INC.	(See JADE)	SKIPPACK, PA	2,500	915	2
THE ERTL COMPANY	ANT PLASTIC MODEL KITS,"BLUEPRINT MINIATURE" DIE-CAST TOYS, CHILDREN'S PHONOGRAPHS, CASSETTE PLAYERS AND RADIOS,RIDING TOYS, WALKIE TALKIES, STAMPED STEEL TOYS AND TRUCKS, ETC...	DYERSVILLE, IO	74,330	15,544	33
FARBERWARE	STAINLESS STEEL COOKWARE PRODUCTS WITH ALUMINUM CLAD BOTTOMS, TEA KETTLES, WOKS, MIXING BOWLS, TRAYS, COLANDERS, ETC...	BRONX, NY	106,000	23,385	45
FASHION, INC.	RESIDENTIAL & COMMERCIAL METAL AWNINGS, CARPORTS, PATIO COVERS, BUILDING FACING AND FACADES, MARQUEES, SERVICE STATION CANOPIES, RESTAURANT DRIVE CANOPIES ETC...	LENEXA, KS	8,900	1,750	6

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
GARDEN STATE TANNING (BY-CHEM)	AIRCRAFT, AUTOMOBILE & FURNITURE LEATHERS, HANDBAG, BELT, AND SMALL LEATHER GOODS, SAFETY LEATHER GOODS (WELDERS' APRONS)	NEW YORK, NY WILLIAMSPORT, MD	41,000	10,177	16
GREENWALD INDUSTRIES	COIN METER SYSTEMS: AMUSEMENT, CAR WASH, LAUNDRY, VENDING MACHINES, COIN MECHANISMS AND METERS, COIN BOXES AND SELECTOR SWITCHES.	BROOKLYN, NY	15,000	4,219	6
GROVE MFG.	(CRANE DIVISION) CARRIER MOUNTED, INDUSTRIAL, SELF-PROPELLED ROUGH TERRAIN HYDRAULIC CRANES, LATTICE CRANES (MANLIFT) AERIAL WORK PLATFORMS (SELF-PROPELLED) SCISSOR AND BOOM MODELS	SHADY GROVE, PA	166,627	423	118

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
HALKEY-ROBERTS	INFLATION SYSTEMS, VALVE ASSEMBLIES FOR LIFE VESTS, RAFTS, AND OTHER SURVIVAL PRODUCTS, MINATURE VALUES FOR DISPOSABLE MEDICAL PROD, PLASTICE VALVES (LIGHT SYSTEMS) DISPOSABLE AND REPLACEMENT BATTERY, FLASHLIGHTS PENLIGHTS FOR ADVERTISING SPECIALTY, INDUSTRIAL AND CONSUMER USE. (SURVIVAL TECHNOLOGIES GROUP) DESIGN AND MANUFACTURE INFLATABLE MARINE RESCUE DEVICES, HARNESSES,TETHERS, AND OTHER HIGH TECH SURVIVAL EQUIPMENT.	ST. PETERSBURG, FL	11,366	1,855	6
ISLES INDUSTRIES	HORIZONTAL & VERTICAL LAMINAR-FLOW BENCHES AND LAMINAR-FLOW TUNNELS, CARTS: CABINET, MATERIALS HANDLING CONVEYOR SYSTEMS FOR ELECTRONIC ASSEMBLY (WEBER TECHNICAL PRODUCTS) CLEAN AIR MODULES, LAMINAR FLOW SURGICAL ISOLATORS & WORK BENCHES.	BREA, CA	6,580	1,700	2

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
JACUZZI, INC.	DOMESTIC PUMPS AND WATER SYSTEMS, SWIMMING	LITTLE ROCK, AR			
JACUZZI BROS.	POOL, EQUIPMENT, TURBINES AND CENTRIFUGALS,	LITTLE ROCK, AR	26,696	4,014	23
JACUZZI WHIRLPOOL	WHIRLPOOL, BATHTUBS AND SPAS AND EQUIPMENT	REXDALE, ONTARIO, CANADA			
BATH	(JACUZZI GAS GRILL DIVISION)	WALNUT CREEK, CA	75,000	13,523	35
THE JADE CORP.	AUTOMATED PRODUCTION EQUIPMENT FOR SEMICONDUCTOR ASSEMBLY, DESIGN & BUILD PROGRESSIVE CARBIDE TOOLING, ELECTRICAL DISCHARGE MACHINING, ETC.	HUNTINGDON VALLEY, PA	23,000	10,670	14
		TREVOSE, PA			
		SOUTHAMPTON, PA			
	(JADE INDUSTRIES) PRECISION STAMPING, SHEET METAL & ELECTRICAL ASSEMBLY				
	(JADE SYSTEMS) TAPE AUTOMATED BONDING EQUIPMENT IC PACKAGING, SOFTWARE DEVLPMNT.				
	(JADE TECHNOLOGIES) SEMICONDUCTOR LEADFRAME STAMPING AND PLATING	ELK GROVE VILLAGE, IL	9,000	2,197	2
	(EAM, INC.) ELECTRO-MECHANICAL ASSEMBLIES AND PRECISION CONTRACT MACHINING	SKIPPACK, PA			

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
JW LIGHTING, INC.	COMMERCIAL AND INDUSTRIAL LIGHTING FIXTURES (INTEGRALITE) SPECIALTY INDOOR ARCHITECTURAL LTG, (JET-PHILLIPS) INDOOR/OUTDOOR SERVICE STATION LTG (JPL LIGHTING) OUTDOOR COMMERCIAL & INDUSTRIAL LTG WRIGHT LIGHT (FLUORESCENT LTG FIXTURES COMM & INDSTRL	HOUSTON, TX	18,000	2,644	5
KENT	BATHROOM ACCESSORIES, BATHROOM CABINETS, VANITY CABINETS & LIGHTING FIXTURES, MIRRORS.	BELLEVUE, KY	7,800	2,421	3
KEYSTONE LAMP MFG. CORP.	PORTABLE LAMPS	SLATINGTON, PA	15,000	4,111	6
KIDDE CONSULTANTS	COMPLETE ENGINEERING, PLANNING & FIELD SERVICES, URBAN, REGIONAL AND DEVELOPMENT PLANNING, CIVIL, ELECTRICAL, ENVIRONMENTAL, MECHANICAL, STRUCTURAL, TRANSPORTATION ENGINEERING	BALTIMORE, MD MINNEAPOLIS, MN	39,848	20,389	177

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
KIDDE-KCDC (CONSUMER DIV.)	ADMINISTRATION	PENNSYLVANIA	0	N/A	3
KIDDE CREDIT	FINANCING FOR DISTRIBUTOR PURCHASES OF KIDDE PRODUCTS	HAGERSTOWN, MD MISSISSAUGA, ONTARIO, CANADA	6,585	810	3
KIDDE RECREATION PRODUCTS	SALESMEN	NORTHBROOK, IL	0	74	1
KIM LIGHTING	CUSTOM ARCHITECTURAL FOUNTAINS, ENVIRONMENTAL LIGHTING, FOUNTAIN LIGHTING AND COMPONENTS, LANDSCAPE AND STREET LIGHTING	CITY OF INDUSTRY, CA	32,000	6,161	4
MARVIN ELECTRIC MANUFACTURING	RECESSED LIGHTING FIXTURES; COMPLETE LINE OF VANDALPROOF FIXTURES, SINGLE AND 3-CIRCUIT TRACK FOR USE WITH 120 VOLT SUPPLY, AND LOW VOLTAGE LUMINARES UTILIZING MR16 LAMP	LOS ANGELES, CA	31,183	5,244	7

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
MCQUIDDY OFFICE DESIGNS	(See SCOTT RICE)	TENNESSEE	40,000	5,363	32
NATIONAL CRANE	HYDRAULIC TELESCOPING AND ARTICULATING CRANES.	WAVERLY, NB	32,860	7,673	80
NEW JERSEY OFFICE SUPPLY	OFFICE STATIONERY AND SUPPLIES, DATA PROCESSING FORMS AND SUPPLIES, COMMERCIAL OFFSET AND LETTER PRESS PRINTING, CARBONIZED BUSINESS FORMS, OFFICE FURNITURE AND INTERIOR DESIGN SERVICE DAVID APPEL OFFICE EQUIP. & STATIONERY BUSINESS PRODUCTS DRESHER BROTHERS STEWART OFFICE SUPPLIES TREKER OFFICE PRODUCTS	WHIPPANY, NJ	180,226	19,934	89

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS		PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
NEWPORT PLASTICS	AIRCRAFT, COMMERCIAL AND CUSTOM SEAT COVERS, CUSTOM MOLDED FIBERGLASS, CUSTOM MOLDED INTEGRAL SKIN URETHANE FOAM, HONEYCOMB CORE PANELS, PRECISION MOLDED PRODUCTS, PRECISION SEWING	NEWPORT, VT	J7	2,400	1,423	2
PIEDMONT MOULDING	MANUFACTURING AND IMPORTERS OF WOOD PICTURE FRAME MOULDING, READY MADE PICTURE FRAMES; HARDWARE, EQUIPMENT AND ACCESSORIES FOR PICTURE FRAMES.	CONYERS, GA	K7	8,251	1,676	10
PROGRESS LIGHTING	RESIDENTIAL AND COMMERCIAL LIGHTING FIXTURES, INTERIOR AND EXTERIOR, CHANDELIERS, DINETTES, WALLS, SCONCES, HALL AND FOYER FIXTURES, ETC...	COWPEN, SC		N/A ?	37,160	9
REXAIR INC.	VACUUM CLEANERS	TROY, MI	I1	54,625	9,567	6

? How much is aircraft — sales already excluded in Main book?

Major Sales ?

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS		PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
ROSS-MARTIN	FORMS MANAGEMENT SERVICES, BUSINESS FORMS ✓ split?	TULSA, OK	K3	23,216	6,120	24
SCHWABACHER/FREY	OFFICE SUPPLIES & OFFICE FURNITURE ✓ split?	EMERYVILLE, CA	K6	28,000	4,062	23
SCOTT RICE	OFFICE DESIGN, FURNITURE, SUPPLIES (split?) (CONTINENTAL OFFICE SUPPLY) (KRAFTBILT) (MCQUIDDY OFFICE DESIGNERS)	TULSA, OK DALLAS, TX TULSA, OK *NASHVILLE, TN	K6	54,076	5,954	49
SHADECO, INC.	LAMP SHADES	TELFORD, PA		? N/A	334	0
SPARTUS	DECORATOR AND KITCHEN CLOCKS, ALARM CLOCKS, WALTHAM CLOCKS, CLOCK RADIOS, PORTABLE RADIOS, TELEVSIONS (B&W)	SKOKIE, IL	I4	63,000	7,538	8

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS		PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
SPAULDING LIGHTING	OUTDOOR LIGHTING PRODUCTS FOR SPECIALIZED COMMERCIAL AND OUTDOOR USES, INDOOR INDIRECT AMBIENT AND TASK LIGHTING	CINCINNATI, OH	07	40,252	629	7
SUNSET/RICKARDS	CERAMIC, BRASS, AND WOOD LAMPS AND ARTWARE	CITY OF COMMERCE, CA	07	12,870	2,313	4
THEURER, INC.	TRUCK TRAILERS, CARGO CONTAINERS AND CHASSIS	NEWARK, NJ	K8	25,000	3,259	43
TOMMY ARMOUR GOLF CO.	GOLF CLUBS, BALLS, BAGS, APPAREL, ACCESSORIES	MORTON GROVE, IL	I3	31,204	2,046	1
TOSE-FOWLER	FREIGHT CARRIER	SCRANTON, PA	P1	28,505	13,559	136

Sold? Think so

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS		PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
TUCKER HOUSEWARES	PLASTIC HOUSEWARES, TRASH CONTAINERS, WASTE BASKETS, LAUNDRY BASKETS, KITCHEN & SINK ITEMS, STORAGE CONTAINERS, BEVERAGE SETS, ETC.	LEOMINSTER, MA	RA K6	110,704	13,199	22
(AMS INDUSTRIES)	BLOW MOLDED PLASTIC TRASH CONTAINERS AND STORAGE CONTAINERS	WORCESTER, MA				
UNIVERSAL GYM EQUIPMENT	PHYSICAL CONDITIONING EQUIPMENT, EXERCISE BICYCLES, COMPUTERIZED ROWING MACHINES, COMPUTERIZED TREADMILLS, MOTORIZED AND MANUAL MEDICAL EVALUTION AND REHABILITATION EQUIPMENT	CEDAR RAPIDS, IA	I3	34,210	8,588	34
THE VALLEY COMPANY	COIN OPERATED POOL TABLES, CUES AND ACCESSORIES, FURNITURE, OFFICE & HOME, POOL TABLES	BAY CITY, MI	I3	15,230	3,580	4
WEBER AIRCRAFT	AIRCRAFT COMPONENTS, ATTENDANT SEATS, AUTOMATIC LAP BELT, BUFFET INSERT EQUIPMENT, CARGO FLOOR SYSTEMS, COAT ROOMS, COFFE MAKERS AND OVENS, CREW SEATS AND ESCAPE SYSTEMS, INTEGRAL BOARDING STAIRS, ETC...	BURBANK, CA		0	40,535	15
TOTAL MAJOR				1,712,905	360,366	1,282

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
	TOTAL HANSON INDUSTRIES		~~5,029,440~~ 531,543	876,829	2,727

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
DISCONTINUING OPERATIONS					
ALLIED PAPER	PULP AND A WIDE VARIETY OF PAPERS, INCLUDING UNCOATED BOOK PAPER, BIBLE PAPER, BUSINESS FORMS, SCHOOL & OFFICE SUPPLIES, SPECIALITY PAPER AND LUMBER	MIAMISBURG, OH KALAMAZOO, MI DAYTON, OH MARION, IN PETERSBURG, VA	242,251	42,531	95
AMERICAN POWER DEVICES	(See FENWAL ELECTRONICS)	ANDOVER, MA	2,512	1,144	1
FENWAL ELECTRONICS	THERMISTORS, THERMISTOR PROBE ASSEMBLIES (AMERICAN POWER DEVICES) SEMICONDUCTORS:DIODES-ZENER, PLANAR, STABISTORS FOUR-LAYER	FRAMINGHAM, MA	15,000	6,931	1

THE FOLLOWING DIVISIONS ARE TO BE SOLD PRIOR TO 10/1/88. IN THE EVENT THAT THE DIVESTITURES DO NOT TAKE PLACE , THESE DIVISIONS MUST BE ADDED TO THE PROGRAM.

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
FENWAL INC.	ENGINEERED FIRE PROTECTION SYSTEMS: TOTAL FLOODING AND LOCAL APPLICATION, EXPLOSION PROTECTION SYSTEMS, FIRE DETECTORS, TEMPERATURE CONTROL SWITCHES, ETC...	ASHLAND, MA HOLLISTON, MA	58,250	26,418	6
FIRE CONTROL INSTUMENTS	EMERGENCY AUDIO EVACUATION SYSTEMS, FIRE ALARM CONTROL SYSTEMS AND EQUIPMENT	NEWTON, MA	10,000	N/A	4
KIDDE SYSTEMS	DESIGN & CONSTRUCTION MGMT OF SECURITY, AUTOMATION, FIRE PROTECTION, AND ENERGY MANAGEMENT SYSTEMS	BALTIMORE, MD	6,300	663	5

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

OPERATION	PRODUCT LINES	MAJOR LOCATIONS	PROJECTED 88/89 SALES	PROJECTED INSURED 88/89 PAYROLL	PROJECTED # AUTOS
WALTER KIDDE DIVISION (USA)	CUSTOM ENGINEERED AND PRE-ENGINEERED FIRE DETECTION AND EXTINGUISHING SYSTEMS	WAKE FOREST, NC			31
	(WALTER KIDDE PORTABLES OPERATIONS) FIRE PROTECTIONS PRODUCTS, MEDICAL PRODUCTS, RESTAURANT PRODUCTS, CONSUMER PRODUCTS, AND HIGH-PRESSURE GAS CYLINDERS	MEBANE, NC	47,000	4,977	
	(WALTER KIDDE, AEROSPACE OPERATIONS) FIRE DECTECTION AND EXTINGUISHING FOR AEROSPACE AND ORDINANCE VEHICLES	WILSON, NC	0	4,916	N/A
	(WALTER KIDDE SALES & SERVICE COMPANY) ALARMS & SECURITY PRODUCTS, FIRE EXTINGUISHING PRODUCTS	OAK PARK, MI	25,800	2,300	63
	(WALTER KIDDE SALES & SERVICE COMPANY, INC.) ACCESS CONTROL SECURITY EQUIPMENT, CLOSED CIRCUIT TV, EXPLOSION SUPPRESSION SYSTEMS, FIRE PROTECTION SYSTEMS, ETC...	KENILWORTH, NJ			
			406,313	89,880	296

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Exhibit #2

HANSON INDUSTRIES
DISCONTINUED OPERATIONS

09-Dec-87

COMPANY	FORMER OWNER	DISPOSITION	DATE	DESCRIPTION OPERATIONS
ABBEY HEALTHCARE	KIDDE	SPUN OFF	11/11/87	NURSING SERVICE
ACS HOSPITAL SERVICE	KIDDE	SPUN OFF	11/11/87	NURSING SERVICE
ACS HOSPITAL SYSTEMS, INC.	KIDDE	SOLD	5/1/87	HOSPITAL TV RENTALS
ADVANCED TEMPORARIES	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
AMERICAN DESK MFG. CO.	KIDDE			SEATING:ARENA, AUDITORIUM, STADIUM ETC.
AMERICAN HOME CARE	KIDDE	SPUN OFF	11/11/87	NURSING SERVICE
ARMEX/LUCIEN PICARD	KIDDE			WATCHES
ARROW LOCK CORPORATION	KIDDE	ASSETS SOLD	2/6/86	CYLINDRICAL LOCKS
CALIFORNIA NURSES BUREAU	KIDDE	SPUN OFF	11/11/87	NURSING SERVICE
CONTRACTORS MACH & EQ. (CANADA)	KIDDE	SOLD	5/20/87	DISTRIB. MAT. CRANE & GROVE EQ.
COSCO CHEMICALS	KIDDE			SOLLUTION HUMIDIFIERS, WATER TREATMENT
COSCO HOME PRODUCTS	KIDDE	SOLD	2/12/83	HOUSEWARES & HOME FURNISHINGS
CROVEN CRYSTALS	KIDDE			QUARTZ CRYSTALS
CURRIES MANUFACTURING	KIDDE	ASSETS SOLD	2/6/86	ARCHETURIAL HARDWARE
DAISY MANUFACTURING COMPANY	KIDDE	SOLD	9/83	AIR RIFLES & PISTOLS
DEEKA PRODUCTS COMPANY.	KIDDE			LAMPS
DURA	KIDDE	SOLD		AUTO LIFTS, COMPRESSED AIR CLEANERS
ELECTRONIC LEASING CORP/WELLS	KIDDE	SOLD	5/1/87	HOSPITAL TV RENTALS
FIREMASTER	KIDDE			ALARMS & SECURITY PRODUCTS
GORDON EMPLOYMENT	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
GORDON TEMPORARIES	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
GROVE IND. PRODUCTS (CANADA)	KIDDE	SOLD	5/20/87	MFG. & DISTRIB MAT. CRANE EQ.
HOUSTON ELECTRONICS	KIDDE			QUARTZ CRYSTAL BASES
INTERIM GROUP	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
JAKARAR NURSES	KIDDE	SPUN OFF	11/11/87	NURSING SERVICE
JAVELIN ELECTRONICS	KIDDE			CLOSED CIRCUIT TV EQUIPMENT
JOBS (TEMPORARIES)	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
K & S INDUSTRIES	KIDDE	SOLD	2/12/83	LAWN TRIMMERS
KIDDE BUSINESS SERVICES, INC.	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
KIDDE MERCHANDISING EQ. GRP (MEG)	KIDDE			DISPLAY & EDUCATIONAL EQUIPMENT
KIDDE RECREATIONAL PRODUCTS (CANADA)	KIDDE			SALE RECREATIONAL PRODUCTS
LANSDALE TRANSISTOR & ELECTRONCS	KIDDE			GERMANIUM TRANSISTORS
LeFEBURE CORPORATION	KIDDE	ASSETS SOLD	2/6/86	BANKING EQUIPMENT
MEDICAL HELP SERVICE, INC	KIDDE	SPUN OFF	11/11/87	NURSING SERVICE
McKINNEY MANUFACTURING COMPANY	KIDDE	ASSETS SOLD	2/6/86	ARCHECTURIAL HARDWARE
McPHERSON GROUP	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
NATIONAL VIDEO/WELLS	KIDDE		5/1/87	HOSPITAL TV RENTALS
OILFIELD INDUSTRIAL LINES	KIDDE	SHUT DOWN		OILFIELD EQUIPMENT
OVENAIRE-AUDIO-CARPENTER	KIDDE			CRYSTAL & OVEN COMPONENTS
PROFESSIONAL NURSES BUREAU	KIDDE	SPUN OFF	11/11/87	TEMPORARY NURSING SERVICE
S&S PERSONNEL	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
SARGENT & COMPANY	KIDDE	ASSETS SOLD	2/6/86	ARCHECTURIAL HARDWARE
SMITHES DIV SUNSET LAMP	KIDDE			ALTERNATORS, IGNITION COILS, VOLTAGE REG'S
TOLEDO COMMUTATOR CO.	KIDDE			COMMUTATORS
TOPS	KIDDE	SPUN OFF	11/11/87	TEMPORARY CLERICAL SERVICE
US LINES	KIDDE	SOLD		SHIPPING COMPANY
VICTOR	KIDDE			BUSINESS MACHINES
VICTOR TEMPORARY SERVICES	KIDDE	SPUN OFF	11/11/87	OFFICE TEMPORARY SERVICES
WELLS NATIONAL SERVICES CORPORATION	KIDDE		5/1/87	HOSPITAL TV RENTALS
[illegible]	KIDDE			GOLF BALLS

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HANSON INDUS[illegible], ETAL

DISCONTINU[illegible] [illegible]IONS

COMPANY	FORMER OWNER	DISPOSITION	DATE	DESCRIPTION OF OPERATIONS
A A GAGE	USI	SOLD	10/06/78	MFG OF MEASURING DEVICES
AIM PACKING	USI	SOLD	08/30/76	EXTRUDED PLASTIC PRODUCTS
ASIA INDUSTRIES	USI	SOLD	10/31/75	MACHINERY SUPPLIER-PHILLIPPINES
BARSTEEL	USI	SOLD	07/12/81	FLAT ROLLED STEEL WAREHOUSING
BEACON CYCLE & SUPPLY CO.	USI	SOLD	1974	BICYCLE MFG
BELWOOD	HANSON	SOLD	04/15/85	MFG OF CABINETS, VANITIES, FURNITURE
BERKLEY SCHOOLS	USI	SOLD	07/23/75	SECRETARIAL SCHOOLS
BILT RITE JUVENILE PRODUCTS	USI	SOLD	04/01/75	CHILDREN'S FURNITURE
BORIN BUILDERS SUPPLY	USI	SOLD	03/10/77	SUPPLIER TO MOBILE HOME INDUSTRY
CAPITAL WIRE & CABLE CO.	USI	SOLD	12/28/78	COPPER WIRE
CARDINAL COTTONS	USI	SOLD	06/06/77	WOMEN'S CLOTHING
CENTRAL HOMES, INC.	USI	SOLD	02/28/75	MFG MOBILE HOMES
CHARLESTON HOISERY MILLS	USI	SOLD	10/08/75	HOISERY MILL
CHICAGO THREAD FASTENERS	USI	SOLD	12/20/77	IMPORT/DISTRIBUTION OF FASTENERS
CLEARING	USI	SOLD	10/01/86	MFG OF PUNCH PRESSES
COLONIAL AMERICAN LIFE INS. CO.	USI	SOLD	09/23/83	LIFE INSURANCE
COMPASS	USI	SOLD	07/12/81	FLAT ROLLED STEEL WAREHOUSING
CON-PLEX/P&Z	USI	CLOSED	1980	BRIDGE & CONCRETE STRUCTURES
CON-RAD	USI	SOLD	11/22/77	METAL FABRICATION
CONN. LIMOUSINE SERVICE	USI	SOLD	02/25/77	LIMOUSINE SERVICE
CONSEW	USI	SOLD	05/29/75	IMPORTER - SEWING MACHINES
CREDICO FINANCIAL, INC.	USI	SOLD	09/23/83	CONSUMER LOANS
CUSTOM CRAFT	USI	SOLD	08/00/78	SEWING MACHINE CABINETS & CHAIRS
DIVERSACON	USI	MERGED/CON-PLEX	12/31/74	BRIDGE & CONCRETE STRUCTURES
E. HELMAN COMPANY	USI	SOLD	07/08/76	PLASTIC RESIN MFG
ELECTRIC SALES & SERVICE	USI	SOLD	07/28/78	CATERPILLER DISTRIBUTORSHIP - BARBADOS
EQUIPMENT CREDIT CORP.	USI	SOLD	10/07/77	EQUIP. FINANCING - PHILLIPPINES
ERIK ANDERS	USI	DISSOLVED	12/00/82	BOY'S CLOTHING
EXCELLED COAT	USI	SOLD	12/28/76	LEATHER COAT MFG
EXPLORATION SERVICES	USI	SOLD	04/23/79	GEOPHYSICAL DATA SUPPLIER
FACOMET ITALIANA	USI	SOLD	10/28/77	OFFICE FURNITURE MFG
FASHION PRINTS	USI	SOLD	05/15/78	FABRIC IMPRINTER
FEDERAL SHEET METAL	USI	OUT OF BUSINESS	05/00/80	SHEET METAL CONSTRUCTION
FIBREFORM	USI	SOLD	09/04/81	MFG OF BOATS- UP TO 17'
FOODCRAFT EQUIPMENT CO. INC.	USI	SOLD	07/27/84	CHICKEN PROCESSING EQUIPMENT
GENERAL ABRASIVES	USI	SOLD	05/04/77	INDUSTRIAL ABRASIVES MFG
GERRING INDUSTRIES	USI	SOLD	05/12/82	MOBILE HOME MFG
GINO PAOLI	USI	SOLD	01/07/75	WOMEN'S APPAREL
GLIDDEN PAINTS	SCM/HANSON	SOLD	09/00/86	PAINTS, COATINGS & RESINS
GLORAY	USI	SOLD	11/21/77	WOMEN'S APPAREL
GREAT LAKES SCREW	USI	SOLD	10/26/79	MFG OF COLD HEADED FASTENERS & PARTS
HAMILTON INDUSTRIES	USI	SOLD	06/15/79	MFG OF TABLE LAMPS
HEALTH INDUSTRIES	USI	SOLD	06/30/81	HEALTH SPAS
HILLARD SPORTSWEAR, LTD.	USI	SOLD	01/06/76	MFG OF LEATHER COATS(CANADA)

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COMPANY	FORMER OWNER	DISPOSITION	DATE	DESCRIPTION OF OPERATIONS
I APPEL	USI	SOLD	05/21/76	APPAREL
INTERSTATE UNITED CORP.	HANSON	SOLD	09/30/85	FOOD SERVICES
ISEMAN	USI	SOLD	05/12/82	MOBILE HOME MFG
J. W. CARROL & SONS	USI	SOLD	10/10/80	PLASTIC LIGHT PANELS
JANE COLBY	USI	DISSOLVED	06/30/79	LADIES' KNIT & WOVEN GARMENTS
JEFFERIES	USI	SOLD	11/06/75	APPAREL
JERNBERG FORGING	HANSON	SOLD	02/20/85	METAL FORGING
JEROLD	USI	SOLD	02/08/79	MFG/IMPORTER OF MEN'S COATS
KOPPEL INC.	USI	SOLD	10/07/77	AIR COND. INSTALLATION/PHILLIPPINES
LAGUNA SPORTSWEAR	USI	SOLD	12/20/77	MEN'S SWIMWEAR
LAKECROFT	USI	RU. OUT	04/00/85	REAL ESTATE
LEONARD PARKER	USI	SOLD	01/13/76	INTERIOR DESIGN
LUCAS	USI	SOLD	11/30/79	FLAT ROLLED STEEL WAREHOUSING
M. H. LAZARUS & CO.	USI	SOLD	05/23/80	SUPPLIER OF CUSTOM TEXTILES
MEYLEBB HOSIERY	USI	SOLD	01/25/83	MFG OF MEN'S HOSIERY
MONTREAL FINISHING	USI	SOLD	03/21/79	DYING OF FABRICS
MORTON TEXTILES & FURNITURE	USI	CLOSED	07/01/77	DESIGNER OF OFFICES
OLD SALT SEAFOOD CO.	HANSON	SOLD	04/01/85	FOOD PROCESSING (CLAMS)
OMNICO	USI	DISSOLVED	07/25/79	MFG OF INEXPENSIVE JEANS
OPTIMAX	USI	SOLD	05/13/82	EYE GLASSES
PACIFIC APPAREL MFG. CO.	USI	SOLD	10/07/77	MFG OF MEN'S APPAREL(PHILLIPPINES)
PENNACO	USI	SOLD	08/15/77	WOMEN'S HOSIERY
PLASTIC & RUBBER PRODUCTS	USI	SOLD	03/27/78	PLASTIC & RUBBER PARTS
POLY TECH	HANSON	SOLD	10/24/84	POLYETHYLENE FILM CONVERSION
PROCTOR-SILEX	SCM	SOLD	09/00/83	HOUSEHOLD APPLIANCES
PRODUCTION CONTROLS	USI	SOLD	09/30/75	PACKAGING
REGAL/ATRA	USI	SOLD	10/27/75	LADIES' HANDBAGS
RIVER QUEEN BOAT WORKS	USI	LIQUIDATED	1974	BOAT MFG
RIVIERA MFG. CO.	USI	SOLD	10/02/75	APPAREL
S & L FIXTURES	USI	OUT OF BUSINESS	12/01/76	LIGHTING FIXTURES
SEACOAST PRODUCTS, INC.	HANSON	SOLD	04/15/85	FISH MEAL & OILS
SEAWAYS IMPORTING CO.	USI	SOLD	09/09/81	SPORTING GOODS DISTRIBUTOR
SEMCO	USI	SOLD	07/27/79	METAL TUBING PRODUCTS
SILVER SAND	USI	SOLD	12/12/78	MATERIALS SUPPLIER TO ROAD CONST.
STACY FABRICS	USI	SOLD	12/23/75	APPAREL
STROLEE OF CALIFORNIA	USI	SOLD	01/22/76	BABY CARRIAGE MFG
STURDI-WEAR(YOUNG SQUIRE)	USI	DISSOLVED	03/31/83	MFG OF YOUNG MEN'S SUITS/SPORTCOATS
SUN-LITE ENTERPRISES	USI	CLOSED	10/27/80	MFG OF OUTDOOR FURNITURE
SYLVACHEM	SCM/HANSON	SOLD	07/00/86	CRUDE TALL OIL CHEMICALS
TALBOTT MILLS	HANSON	SOLD	11/18/85	LADIES' KNIT SWEATERS
THUNANDER & SON	USI	SOLD	09/18/81	PARTS & SERVICE TO MOBILE HOME IND.
TIDE EQUIPMENT CORP.	USI	SOLD	09/00/74	EQUIPMENT LEASING
TIDE LEASING CO., INC.	USI	SOLD	07/29/83	EQUIPMENT LEASING
TIFFINY UNIFORMS	USI	SOLD	07/14/78	LADIES' UNIFORMS
TRANS-PACIFIC INDUSTRIES	USI	SOLD	10/07/77	CATERPILLER DISTRIBUTOR-SINGAPORE
TUCKER STEEL	USI	SOLD	06/04/76	BRIDGE/BUILDING FRAMES/CONNECTORS

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HANSON INDUSTRI[illegible] [illegible]ETAL

DISCONTINUED [illegible]TIONS

COMPANY	FORMER OWNER	DISPOSITION	DATE	DESCRIPTION OF OPERATIONS
ULYSSES IRRIGATION PIPE CO.	USI	SOLD	08/02/83	MFG OF ALUMINUM & PLASTIC PIPE
USI PUERTO RICO	USI	SOLD	11/30/81	CATERPILLER DISTRIBUTOR
USI WEST INDIES, LTD.	USI	SOLD	08/05/76	CATERPILLER DISTRIBUTOR
USIPHIL, INC.	USI	SOLD	10/07/77	CATERPILLER DISTRIBUTOR-PHILLIPINES
VALOR	USI	LIQUIDATED	01/01/79	APPAREL
VENDOME TEXTILE INDUSTRIES	USI	SOLD	08/17/76	APPAREL
WASA ELECTRICAL SERVICE	USI	SOLD	09/24/79	ELECTRICAL INSTALLATION & SERVICE
WELLCOR/WEBCOR	USI	SOLD	1977	MFG OF HOME ENTERTAINMENT SYSTEMS
WESTMORELAND ENG. CO., INC.	USI	SOLD	12/31/76	ENGINEERING SERVICES
WYATT INDUSTRIES	USI	RUN OUT	03/00/85	PRESSURE VESSEL FABRICATION/ERECTION

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Harson Industries
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Exhibit 3A – Discarded – Workers Comp. Losses

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EXHIBIT 3-B

HANSON INDUSTRIES
PRODUCT LOSSES
VALUED AS OF 6/30/88

POLICY YEAR	CAPTIVE COMPANY	# OPEN	OUSTANDING	PAID	TOTAL OPEN	# CLOSED	PAID	TOTAL # CLAIMS	TOTAL INCURRED
83/84	BULLDOG							49	2,003,302
83/84	SINCLAIR	INCLUDES GENERAL LIABILITY LOSSES						346	3,924,197
83/84	MAJOR							212	3,682,124
	TOTAL	0	0	0		0	0	607	9,609,623
84/85	BULLDOG							43	1,129,883
84/85	SINCLAIR	INCLUDES GENERAL LIABILITY LOSSES						498	1,414,391
84/85	MAJOR							272	3,079,210
	TOTAL	0	0	0		0	0	813	5,623,484
85/86	BULLDOG							47	745,522
85/86	SINCLAIR	INCLUDES GENERAL LIABILITY LOSSES						507	946,711
85/86	MAJOR							228	1,884,975
	TOTAL	0	0	0		0	0	782	3,577,208
86/87	BULLDOG	4	5,900	0	5,900	37	16,242	41	22,142
86/87	SINCLAIR	13	68,251	1,461	69,712	56	14,586	69	84,298
86/87	MAJOR	59	894,940	38,250	933,190	82	14,078	141	947,268
	TOTAL	76	969,091	39,711	1,008,802	175	44,906	251	1,053,708
87/88	BULLDOG	15	27,145	741	27,886	15	7,167	30	35,053
87/88	SINCLAIR	31	20,262	998	21,260	27	652	58	21,912
87/88	MAJOR	26	188,826	8,324	197,150	11	3,100	37	200,250
	TOTAL	72	236,233	10,063	246,296	53	10,919	125	257,215

EXHIBIT 3-C
HANSON INDUSTRIES
GENERAL LIABILITY LOSSES
VALUED AS OF 6/30/88

POLICY YEAR	CAPTIVE COMPANY	# OPEN	OUSTANDING	PAID	TOTAL OPEN	# CLOSED	PAID	TOTAL # CLAIMS	TOTAL INCURRED
83/84	BULLDOG								
83/84	SINCLAIR			SEE PRODUCT LOSSES					
83/84	MAJOR								
	TOTAL								
84/85	BULLDOG								
84/85	SINCLAIR			SEE PRODUCT LOSSES					
84/85	MAJOR								
	TOTAL								
85/86	BULLDOG								
85/86	SINCLAIR			SEE PRODUCT LOSSES					
85/86	MAJOR								
	TOTAL								
86/87	BULLDOG	6	54,155	845	55,000	151	18,254	157	73,254
86/87	SINCLAIR	404	278,748	20,292	299,040	356	107,134	760	406,174
86/87	MAJOR	3	29,273	26,227	55,500	11	11,359	14	66,859
	TOTAL	413	362,176	47,364	409,540	518	136,747	931	546,287
87/88	BULLDOG	3	2,635	0	2,635	1	6	4	2,641
87/88	SINCLAIR	138	227,054	2,051	229,105	185	21,233	323	250,338
87/88	MAJOR	1	8,000	0	8,000	3	0	4	8,000
	TOTAL	142	237,689	2,051	239,740	189	21,239	331	260,979

EXHIBIT 3-D
HANSON INDUSTRIES
AUTOMOBILE LIABILITY LOSSES
VALUED AS OF 6/30/88

POLICY YEAR	CAPTIVE COMPANY	# OPEN	OUSTANDING	PAID	TOTAL OPEN	# CLOSED	PAID	TOTAL # CLAIMS	TOTAL INCURRED
83/84	BULLDOG							34	118,472
83/84	SINCLAIR							166	317,301
83/84	MAJOR							338	581,792
	TOTAL	0	0	0	0	0	0	538	1,017,565
84/85	BULLDOG							46	195,779
84/85	SINCLAIR							159	458,351
84/85	MAJOR							399	575,498
	TOTAL	0	0	0	0	0	0	604	1,229,628
85/86	BULLDOG							43	100,304
85/86	SINCLAIR							168	539,442
85/86	MAJOR							408	983,159
	TOTAL	0	0	0	0	0	0	619	1,622,905
86/87	BULLDOG	5	36,689	11,932	48,621	38	35,795	43	84,416
86/87	SINCLAIR	5	39,254	9,645	48,899	83	103,574	88	152,473
86/87	MAJOR	35	88,078	17,296	105,374	293	216,432	328	321,806
	TOTAL	45	164,021	38,873	202,894	414	355,801	459	558,695
87/88	BULLDOG	4	1,587	888	2,475	28	10,562	32	13,037
87/88	SINCLAIR	24	501,028	11,168	512,196	41	26,025	66	538,221
87/88	MAJOR	69	126,798	24,395	151,193	69	143,849	138	295,042
	TOTAL	97	629,413	36,451	665,864	138	180,436	236	846,300

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PRODUCT LIABILITY
LARGE LOSSES OVER $100,000

YEAR	LINE OF INS	CAPTIVE	DIVISION	CLAIMANT	STATUS	INCURRED AMOUNT	DESCRIPTION
83/84	PROD	BULLDOG	CARISBROOK	NIEVES, FRANCISCO	O	800,395	MFG. INJURY NOT STATED, MULT. INJURIES
83/84	PROD	SINCLAIR	LEON PLASTICS	JARAMILLO, FIDENCIO	O	211,000	CLNT ALLEGES INJURY FROM INSURED'S PRODUCT
83/84	PROD	SINCLAIR	PROCTOR-SCHWARTZ	CUPP	O	250,000	AMPUTATION
83/84	PROD	SINCLAIR	PROCTOR-SCHWARTZ	RANERIZ	O	250,000	PARTIAL AMPUTATION OF LEFT HAND
83/84	PROD	SINCLAIR	UNITED CHAIR	AUSTIN, JAMES	O	120,000	ALLEGES CHAIR INSTABILITY CAUSED BACK INJURY
83/84	PROD	SINCLAIR	UNITED CHAIR	CRUMM, GREG	O	225,000	ALLEGES CHAIR COLLAPSED
83/84	PROD	SINCLAIR	UNITED CHAIR	WOOTEN, CHARLES	C	162,836	ALLEGES INJURY WHEN PRODUCT COLLAPSED
83/84	PROD	MAJOR	COSCO*	COLES	C	136,128	MINOR ASPHYXIATED ON HIGH CHAIR
83/84	PROD	MAJOR	COSCO*	BLAIR	C	2,676,567	INFANT SUFFERED PARALYSIS WHEN CAR SEAT FAILED TO
83/84	PROD	MAJOR	COSCO*	BACCIOCCO**	O		INFANT INJURED WHEN CAR SEAT FAILED TO RESTRAIN
83/84	PROD	MAJOR	FENWAL*	VARIOUS	C	213.129	APARTMENT EXPLOSION - 25 CLAIMS. COMPONENT PART
83/84	PROD	MAJOR	GROVE	HOYT	C	298,862	CLAIMANT SLIPPED WHILE DECENDING FORM A CRANE
83/84	PROD	MAJOR	GROVE	HARSY	C	200,795	BRAKES FAILED ON CRANE CAUSING IT TO TURN OVER
83/84	PROD	MAJOR	GROVE	DON ELLIS	C	190,914	PROPERTY DAMAGE CAUSED BY TOPPLING CRANE
83/84	PROD	MAJOR	J W LIGHTING	HURT	O	129,495	ELECT. SHOCK WHILE INSPECTING SIGN MFG. BY INSURED
83/84	PROD	MAJOR	K & S*	HUDSON	C	1,936,061	ELECTROCUTION - WEED EATER
83/84	PROD	MAJOR	NATIONAL CRANE	SMIRL	C	809,796	BOOM COLLASPED STRIKEING CLAIMANT IN HEAD
83/84	PROD	MAJOR	NATIONAL CRANE	GOODEN	C	714,045	CRANE FREE-SWUNG KNOCKING PLATFORM OUT FROM UNDER
83/84	PROD	MAJOR	NISSEN*	CARLSEN	C	107,739	CLAIMANT INJURED WHEN GYMNASTIC RINGS BROKE
83/84	PROD	MAJOR	WALTER KIDDE*	TROTTER TOWING**	O		FIRE DAMAGE TO SHIP DUE TO MALSUNCTION OF FIRE
84/85	PROD	BULLDOG	CARISBROOK	BOUDREAUX, WESTON	O	516,000	ENGINEERING DESIGN, TRAUMA, RT HAND
84/85	PROD	SINCLAIR	KEYSTONE LIGHTING	MYERS, ERIC	O	115,000	CLAIMANT ALLEGES LIGHT FIXTURE CAUSED FIRE
84/85	PROD	SINCLAIR	PROCTOR-SCHWARTZ	DEDIOS	O	250,000	CLAIMANT INJURED ON INSURED'S MACHIE

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PRODUCT LIABILITY
LARGE LOSSES OVER $100,000

YEAR	LINE OF INS	CAPTIVE	DIVISION	CLAIMANT	STATUS	INCURRED AMOUNT	DESCRIPTION
84/85	PROD	SINCLAIR	UNITED CHAIR	WHETHAM, ANN	O	100,000	FELL OUT OF CHAIR
84/85	PROD	SINCLAIR	UNITED CHAIR	MARTIN, WILLIAM	O	150,000	ALLEGES CHAIR COLLAPSED
84/85	PROD	MAJOR	FARBERWARE	LADD	C	119,755	ELECT. SKILLET LEG BROKE CAUSING BURNS TO CLAIMANT
84/85	PROD	MAJOR	GROVE	ISHII	O	540,000	CRANE JIB FELL FROM RETAINING BRACKETS STRIKING
84/85	PROD	MAJOR	GROVE	GLERUP	C	388,560	CRANE OVER-TURNED CRUSHING CLAIMANT
84/85	PROD	MAJOR	GROVE	STODDARD	O	122,902	ANTI TWO-BLOCK DEVICE FELL THROUGH SKYLIGHT OF
84/85	PROD	MAJOR	GROVE	CRIMMINS	O	445,000	DECEDENT FELL FROM MAN-BASKET SUSPENDED FORM CRANE
84/85	PROD	MAJOR	NATIONAL CRANE	MC ADOO	O	115,000	CLAIMANT FELL FROM CRANE
84/85	PROD	MAJOR	NATIONAL CRANE	LANN	O	220,000	CLAIMANT FELL FROM CRANE BREAKING BOTH HEELS
84/85	PROD	MAJOR	DURA*	DELAWDER	O	175,000	AUTO LIFT COLLASPED CAUSING FATALITY
84/85	PROD	MAJOR	DURA*	PORTER	O	135,000	LOGGING RELEASE COMPONENT KICKED BACK HIT CLAIMANT
84/85	PROD	MAJOR	K & S*	YEAGER	O	126,750	MOTORIZED BICYCLE MALFUNCTIONED CAUSING FATALITY
84/85	PROD	MAJOR	K & S*	LEWIS	O	140,000	WEED TRIMMER CAUSED EYE INJURY
84/85	PROD	MAJOR	KHEG*	DERELENKO	O	228,000	FILE DRAWER DEFECT CAUSED BACK INJURY
84/85	PROD	MAJOR	WALTER KIDDE*	KEMPTON	C	437,927	PRESSURIZED CYLINDER EXPLODED CAUSING LEG AMPUTATION
84/85	PROD	MAJOR	WALTER KIDDE*	AMERICAN CASUALTY	O	110,000	SUBROGATION DUE TO PD CAUSED BY MALFUNCTION OF
84/85	PROD	MAJOR	WALTER KIDDE*	PEARSON	O	156,000	FATALITY INVOLVED IN PAINT STROE FIRE
84/85	PROD	MAJOR	WALTER KIDDE*	FENNER	C	142,571	WALL MOUNTED FIRE EXTINGUISHER DISCHARGED,
85/86	PROD	SINCLAIR	LEON PLASTICS	SLEET, C (FORMERLY KNO	O	110,674	PAIN IN NECK AFTER DOING ASSEMBLY JOB
85/86	PROD	MAJOR	COSCO*	ROBINS	O	2,550,000	INFANT RENDERED A QUADRIPLEGIC WHILE IN CAR SEAT
85/86	PROD	MAJOR	DURA*	THOMAS	O	250,000	AUTO LIFT COLLASPED CAUSING PARAPLEGIA
85/86	PROD	MAJOR	GROVE	INGLE	O	160,000	CRANE TWO-BLOCKED DROPPIND HEADACHE BALL ON CLAIMANT
85/86	PROD	MAJOR	GROVE	CARSON	O	275,000	MANLIFT BREAKING SYSTEM FAILED
85/86	PROD	MAJOR	GROVE	GERNEY	O	110,000	CRANE TIPPED, PINNING CLAIMANT

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PRODUCT LIABILITY
LARGE LOSSES OVER $100,000

YEAR	LINE OF INS	CAPTIVE	DIVISION	CLAIMANT	STATUS	INCURRED AMOUNT	DESCRIPTION
85/86	PROD	MAJOR	NATIONAL CRANE	CONAWAY	C	747,798	CLAM BUCKET FELL FROM CRANE STRIKING CLAIMANT
85/86	PROD	MAJOR	WALTER KIDDE*	GENESSEE VALLEY	O	125,000	PD CAUSED BY FAILURE OF EXTINGUISHING SYSTEM
86/87	PROD	MAJOR	COSCO*	HEINTZ	O	320,000	INFANT INJURED WHILE IN HIGH CHAIR
86/87	PROD	MAJOR	GROVE	MC CAINS FOOD	O	500,000	CRANE SEPERATED FROM SUPERSTRUCTURE - RESULTING PD
86/87	PROD	MAJOR	COSCO*	TOMLIN	C	335,260	INFANT DIED WHILE IN HIGH CHAIR
87/88	PROD	MAJOR	GROVE	SULZMAN	O	110,000	CLAIMANT FELL FROM MANLIFT
87/88	PROD	MAJOR	GROVE	LARUE	O	125,000	CLAIMANT CRUSHED BY CRANE OUTRIGGER
87/88	PROD	MAJOR	FENWAL*	AMER FRUTOSE	O	220,000	MALFUNCTION OF EXPLOSION SUSPRESSION DEVICE

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GENERAL LIABILITY
LARGE LOSSES OVER $100,000

YEAR	LINE OF INS	CAPTIVE	DIVISION	CLAIMANT	STATUS	INCURRED AMOUNT	DESCRIPTION
83/84	GL	SINCLAIR	KEYSTONE LIGHTING	LEE, JOHN	O	120,000	BRAKES ON FORK LIFT FAILED
83/84	GL	SINCLAIR	SCM CHEMICALS	12 CLAIMANTS	O	280,027	CHEMICAL CLOUD ON BRIDGE CAUSED MULTIPLE VEHICLE ACCIDENT
83/84	GL	SINCLAIR	THE GROUND ROUND INC.	GRANDE, R.	O	101,400	SLIP AND FALL, BRUISED HAND
83/84	GL	SINCLAIR	THE GROUND ROUND INC.	BERRY, K.	O	541,220	DRAM SHOP
83/84	GL	SINCLAIR	UNITED CHAIR	DALRYMPLE	C	103,181	CHAIR ALLEGEDLY BROKE
83/84	GL	SINCLAIR	THE GROUND ROUND INC.	FOLEY, D.	O	106,500	SPILLED FOOD, BURN
83/84	GL	SINCLAIR	THE GROUND ROUND INC.	CASSELLA, FLORECE	C	127,171	SLIP AND FALL, BRUISED HAND
83/84	GL	MAJOR	PROGRESS LIGHTING	A. VELEZ	O	185,000	STRAIN/INJUER BY REACHING
84/85	GL	SINCLAIR	KEYSTONE LIGHTING	LEE, EDWARD	O	162,500	EMPLOYEE ON FORK LIFT STRUCK SCAFFOLD CLMT WAS WORKING ON,
84/85	GL	MAJOR	TOSE-FOWLER	WISCHUK	O	115,000	FELL THROUGH TRAILER WHILE UNLOADIN WITH FORK LIFT
85/86	GL	SINCLAIR	KEYSTONE LIGHTING	HOLSING, ROBERT	O	103,000	DRIVER STEPPED ON NAIL ONPREMISES, LOST FOOT
86/87	NO LARGE LOSSES						
87/88	NO LARGE LOSSES.						

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AUTOMOBILE LIABILITY
LARGE LOSSES OVER $100,000

YEAR	LINE OF INS	CAPTIVE	DIVISION	CLAIMANT	STATUS	INCURRED AMOUNT	DESCRIPTION
83/84	AUTO	SINCLAIR	AXELSON	BELMURE, CAROL	C	100,667	REAR-ENDED CLAIMANT
83/84	AUTO	SINCLAIR	DUKE CITY LUMBER	DRV-DENNIS BELL	O	130,000	CLAIMANT SPUN OUT IN FRONT OF INSURED VEHICLE
83/84	AUTO	MAJOR	TOSE-FOWLER	KAPLON	C	345,248	DECEDENT REAR-ENDED OUR UNIT ON MOTERCYCLE
84/85	AUTO	SINCLAIR	N W MANUFACTURING	MOODY, CLARENCE	O	106,000	INSURED PULLING OUT, HIT PEDESTRIAN
85/86	AUTO	MAJOR	TOSE-FOWLER	COONS	O	171,222	HEAD-ON COLLISION
86/87	NO LARGE LOSSES						
87/88	AUTO	SINCLAIR	BROWN MOULDING	SKIPPER, J D	O	425,000	HEAD ON COLLISION WITH OTHER VEHICLE

EXHIBIT #5

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James

HANSON INDUSTRIES, ETAL.

1987 TO 1988 UMBRELLA LIABILITY

RESERVES

RESERVES HAVE BEEN ESTABLISHED BY THE FOLLOWING PROFESSIONAL CLAIM HANDLING AGENTS:

CRAWFORD & COMPANY

KEMPER INSURANCE GROUP

TRAVELERS/CSSC

AMERICAN MUTUAL INSURANCE COMPANY

CNA/INSURANCE

INA

PRODUCT LIABILITY CLAIMS FOR SCM CORPORATION (1/1/82 TO 1/1/87) WERE ESSENTIALLY SELF-INSURED. RESERVES HAVE BEEN ESTABLISHED BY FSJ CLAIMS MANAGER, AFTER COMPLETE REVIEW OF ALL AVAILABLE DATA, INCLUDING INTERVIEWS WITH SCM ATTN'Y.