

NOTICE OF CANCELLATION, NONRENEWAL OR DECLINATION OF INSURANCE

(Texas)

INSURANCE COMPANY . CIGNA INSURANCE COMPANY OF TEXAS

NAME AND ADDRESS OF INSURED . UTEX INDUSTRIES, INC.
(SEE ENDORSEMENT)
P.O. BOX 79227
HOUSTON, TEXAS 77279

PLAINTIFF'S EXHIBIT

UTX-67

KIND OF POLICY COMMERCIAL UMBRELLA LIABILITY	
POLICY NO X00 G0 53 41 06 1	
CANCELLATION OR EXPIRATION WILL TAKE EFFECT AT 5-20-91 12:01 AM (DATE) (HOUR-STANDARD TIME)	
DATE OF MAILING 5-24-91	
ISSUED THROUGH AGENCY OR OFFICE AT: SAN ANTONIO, TEXAS 531	

TED W. ALLEN & ASSOCIATES
HOUSTON, TEXAS

(Applicable item marked X)

CANCEL-
LATION

- ☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.
☐ Cancellation is due to nonpayment of premium
See the "Important Notices" section below for other information that may apply.
- ☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.
Upon your request, we will provide you with a written statement of the reason(s) for the cancellation
See the "Important Notices" section below for other information that may apply.
- ☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.
Reason(s) for cancellation: _____

See the "Important Notices" section below for other information that may apply.

Premium
Adjustment:

If the premium has been paid, premium adjustment will be made as soon as practicable after cancellation becomes effective.
If the premium has not been paid, a bill for the premium earned to the time of cancellation will be forwarded in due course
☐ Other: _____

NON-
RENEWAL

- ☒ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the above mentioned policy will expire effective at and from the hour and date mentioned above and the policy will NOT be renewed
Upon your request, we will provide you with a written statement of the reason(s) for the nonrenewal.
See the "Important Notices" section below for other information that may apply
- ☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the above mentioned policy will expire effective at and from the hour and date mentioned above and the policy will NOT be renewed
Reason(s) for nonrenewal: _____

See the "Important Notices" section below for other information that may apply

DECLIN-
ATION OF
INSURANCE

- ☐ Your application for the kind of insurance mentioned above has been declined
Upon your request, we will provide you with a written statement of the reason(s) for the declination of insurance
See the "Important Notices" section below for other information that may apply

IMPORTANT
NOTICES

- ☐ Other Information, if any: _____

- ☐ Consumer Report: In compliance with the Fair Credit Reporting Act (Public Law 91-508), you are hereby informed that the action taken above is being taken wholly or partly because of information contained in a consumer report from the following consumer reporting agency

(NAME)

Melinda Bernick

AUTHORIZED REPRESENTATIVE

INSURED'S COPY

POLICY IDENTIFICATION

DECLARATIONS — COMMERCIAL UMBRELLA LIABILITY POLICY

X00

G05341061

- ☐ CIGNA Insurance Company of the Midwest
 ☐ CIGNA Insurance Company of Ohio
☐ Atlantic Employers Insurance Company
 ☒ CIGNA Insurance Company of Texas
☐ CIGNA Insurance Company of Illinois

NAMED INSURED

UTEX INDUSTRIES, INC.
 (See Endorsement)
 POST OFFICE BOX 79227
 HOUSTON, TEXAS 77279

TED W. ALLEN & ASSOCIATES
 5847 San Felipe, Suite 1590
 Houston, Texas 77057-3009
 (713) 789-0789

POLICY IS ☒ New ☐ Renewal ☐ Rewrite of _____
 NAMED INSURED IS: ☒ Corporation ☐ Individual ☐ Partnership ☐ _____
 BUSINESS OF INSURED: MANUFACTURERS OF INDUSTRIAL NON-METALLIC MINERAL PRODUCTS
 POLICY PERIOD From 05-20-90 To 05-20-91
 12:01 A.M. Standard Time at your Mailing Address shown above

RETROACTIVE DATE

NOT APPLICABLE

Enter Date, or "None" (if no "Retroactive Date" applies)
 or "Not Applicable" (if no "Claims-Made" coverage is provided).

If any portion of this policy provides insurance on a "claims-made" basis, then this insurance does not apply to injury or damage covered on a "claims-made" basis which occurs before the date shown above or the "Retroactive Date" applicable to the underlying insurance, whichever is later.

LIMITS OF INSURANCE

Each "Incident" \$ 2,000,000 Policy Aggregate \$ 2,000,000
 Each "Incident" "Retained Limit" "Underlying Insurance" or \$ 10,000

DROP DOWN COVERAGE

With respect to claims for damages, covered by this policy for any reason other than the exhaustion of "underlying insurance" limits, this policy will respond on

- ☐ a "claims-made" basis; or ☒ an other than "claims-made" basis

(Place an "x" in the appropriate box)

GENERAL ENDORSEMENT:

Named Insured UTEX INDUSTRIES, INC.			Endorsement Number
Policy Symbol X00	Policy Number G05341061	Policy Period 5-20-90/91	Effective Date of Endorsement 5-20-90
Issued By (Name of Insurance Company) CIGNA INSURANCE COMPANY OF TEXAS			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

DECLARATIONS COVERAGE PART
COMMERCIAL UMBRELLA LIABILITY

NAMED INSURED IS COMPLETED TO READ:

- 1) **UTEX INDUSTRIES, INC.**
- 2) **XENOX, INC.**
- 3) **XENTEX, INC.**
- 4) **XENPAX, INC.**
- 5) **XENCOR, INC.**
- 6) **REDESEAL CORPORATION**
- 7) **VORTEX**


Authorized Agent

DECLARATIONS — COMMERCIAL UMBRELLA LIABILITY POLICY

X00

G05341061

PREMIUM PAYMENT CONDITIONSAUDIT PERIOD ☐ Annual ☐ Semi-Annual ☐ Monthly ☒ Not Subject**PREMIUM COMPUTATION**Estimated Exposure Base FLAT CHARGE

Rate _____ Per _____

TOTAL POLICY PREMIUM \$ 45,800.PAYMENT PLAN ☒ Prepaid Annual ☐ Two Payment ☐ Four Payment ☐ Ten PaymentTOTAL DUE WHEN COVERAGE BEGINS \$ 45,800Payment in ONE Payments of \$ 45,800In the event of cancellation by the Named Insured we will receive and retain not less than \$ 4,580.
as the minimum policy premium.

Premiums Resulting From Audits Are Not Included In The Above

FORMS AND ENDORSEMENTS

Forms and Endorsements attached to this policy at inception:

XS-4R51 - DEC-CTX
 XS-5R06 - JACKET-CTX
 XS-4R52 - PREMIUM
 XS-4R53 - SCHEDULE UNDERLYING
 XS-4R54 - COVERAGE
 XS-5R09 - TEXAS AMENDATORY
 XS-9G14 - EXCLUSION ASBESTOS
 XS-4R90 - PROPERTY EXCLUSION

Countersigned At Houston, TXBy Authorized Agent J. AllenDate 7/24/90

DECLARATIONS — COMMERCIAL UMBRELLA LIABILITY POLICY**X00****G05341061****SCHEDULE OF UNDERLYING INSURANCE****COMMERCIAL GENERAL LIABILITY
POLICY**Applicable
Limits

CIGNA INSURANCE
CO. OF TEXAS
 Company
 Policy Number D24169960
 Policy Period 5-20-90 5-20-91

General Aggregate \$ 2,000,000
 Products Completed Operations Aggregate \$ 2,000,000
 Personal And Advertising
 Injury Limit \$ 1,000,000
 Each Occurrence \$ 1,000,000
 Fire Damage Limit \$ 50,000

AUTOMOBILE LIABILITY POLICY

Bodily Injury and Property
 Damage Liability \$ 1,000,000

OR

CIGNA INSURANCE
CO. OF TEXAS
 Company
 Policy Number CAL 004511
 Policy Period 5-20-90 5-20-91

Bodily Injury Liability
 Each Person \$
 Each Occurrence \$
 Property Damage Liability
 Each Occurrence \$

Standard Workers Compensation
 and Employers Liability
 or Stop-Gap
 Employers Liability
 Policy

Employers Liability
 or Stop-Gap Employers
 Liability
 Each Accident \$ 100,000

Company T.B.D.
 Policy Number
 Policy Period

Disease
 Each Policy \$ 500,000
 Each Employee \$ 100,000

EXCLUSION — LIABILITY FOR PROPERTY

Named Insured UTEX INDUSTRIES, INC.			Endorsement Number
Policy Symbol X00	Policy Number G05341061	Policy Period 5-20-90/91	Effective Date of Endorsement 5-20-90
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

Paragraph 3 h. of Section I — COVERAGES is deleted and replaced with the paragraph checked below

☐ h. Property damage to

- (1) Property you own,
- (2) Real property in your care, custody or control, and
- (3) Personal property in your care, custody or control, but only to the extent you are required under contract to provide insurance for the property.

OR

☐ h. Property damage to

- (1) Property you own,
- (2) Personal property in your care, custody or control, and
- (3) Real property in your care, custody or control, but only to the extent you are required under contract to provide insurance for the property

OR

☒ h. Property damage to

- (1) Property you own, and
- (2) Property in your care, custody or control

OR

☐ h. Property damage to but only to the extent excluded by the "underlying insurance"

Authorized Agent

EXCLUSION — ASBESTOS (OKLAHOMA/TEXAS)

Named Insured UTEX INDUSTRIES, INC.			Endorsement Number
Policy Symbol X00	Policy Number G05341061	Policy Period 5-20-90/91	Effective Date of Endorsement 5-20-90
Issued By (Name of Insurance Company) CIGNA INSURANCE COMPANY OF TEXAS			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

In consideration of the premium charged, this insurance does not apply to any loss, demand, claim or "suit" arising out of or related in any way to asbestos or asbestos-containing materials.

This insurance will not become excess of any reduced or exhausted underlying aggregate limit of liability of the "retained limit" to the extent such reduction or exhaustion is the result of any loss, demand, claim or "suit" arising out of or related in any way to asbestos or asbestos-containing materials.

I/We certify acceptance of this endorsement.

Named Insured(s)

TED W. ALLEN & ASSOCIATES

Authorized Agent

TEXAS AMENDATORY ENDORSEMENT

Named Insured UTEX INDUSTRIES, INC.			Endorsement Number
Policy Symbol X00	Policy Number G05341061	Policy Period 5-20-90/91	Effective Date of Endorsement 5-20-90
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

We agree to the following changes:

1. The RETROACTIVE DATE and DROP DOWN COVERAGE sections in the Declarations is deleted
2. With respect to the sentence in the PREMIUM PAYMENTS section of the Declarations, reading, "In the event of cancellation by the Named Insured we will secure and retain not less than \$ 4,580. as the minimum policy premium," the minimum policy premium may not exceed 10% of the total policy premium.
3. Paragraph 1, The Insuring Agreement, of Section I - COVERAGES is deleted in its entirety and replaced by the following
 - 1 Insuring Agreement

In consideration of the payment of premium, and in reliance upon statements made by you during the process of obtaining this insurance and subject to the Limits of Insurance shown in the Declarations, and all of the exclusions, terms and conditions of this policy, we agree with you as follows.

- a We will pay to the insured the "ultimate net loss" in excess of the "retained limits" that the insured becomes legally obligated to pay as damages because of "bodily injury," "property damage," "personal injury," or "advertising injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for elsewhere in this policy. The "bodily injury," "property damage," "personal injury," or "advertising injury" must be caused by an "incident." The "incident" must take place in the "coverage territory." In addition,
 - (1) This insurance applies only to "bodily injury," or "property damage" which occurs during the policy period.
 - (2) This insurance applies to "personal injury," or "advertising injury" only if the "incident" occurred during the policy period.
 - (3) Damage because of "bodily injury" include damages claimed by any person or organization for care, loss of services, or death resulting at any time from the injury; and
 - (4) "Property damage" that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the "incident" that caused it.

- b We have the right to defend any claim or "suit" against the insured seeking damages for "bodily injury," "property damage," "personal injury," or "advertising injury" to which this insurance applies, but
 - (1) The amount we will pay for "ultimate net loss" is limited as described in SECTION III — LIMITS OF INSURANCE.
 - (2) At our discretion, we may investigate any "incident" and settle any claim or "suit" that may result.
 - (3) We may defend any claim or "suit" covered by this policy, but which is not covered by any "underlying insurance"; we also may defend such claim or "suit" if the applicable limit of "underlying insurance" is used up; but
 - (4) Our right to defend any existing or future "suits" end when we have used up the applicable Limits of Insurance in payments of judgments or settlements under this policy
- 4 Paragraph 5. Cancellation, Non Renewal and State Required Conditions of Section IV - CONDITIONS is deleted and replaced by the following
 - 5 Cancellation and Non Renewal
 - a. Cancellation
 - (1) The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation
 - (2.a) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.
 - (2 b) If this policy has been in effect for 60 or fewer days, we may cancel for any reason
 - (2 c) If this policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
 - (a) Fraud in obtaining coverage,
 - (b) Failure to pay premiums when due;
 - (c) An increase in hazard within the control of the insured which would produce an increase in rate.
 - (d) Loss of our reinsurance covering all or part of the risk covered by the policy; or
 - (e) If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver
 - (3) We will mail or deliver our notice to the first Named Insured's last mailing address known to us
 - (4) Notice of cancellation will state the effective date of cancellation. The policy will end on that date
 - (5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund
 - (6) If notice is mailed, proof of mailing will be sufficient proof of notice
 - b. Nonrenewal
 - (1) We may elect not to renew this policy by mailing or delivering to the First Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the

expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.

(2) If notice is mailed, proof of mailing will be sufficient proof of notice.

5. Section V - EXTENDED REPORTING PERIODS is deleted in its entirety.
6. Paragraphs #5 and #14 are deleted from Section VI - DEFINITIONS.
7. The phrase, reading, "and any renewal, replacement, and any Extended Reporting Period(s) of those policies," is deleted from paragraph 19, Section VI - DEFINITIONS, and is replaced by "and any renewal and replacement of those policies."

Authorized Agent

UTEX 000442