

North River Insurance Company
Policy #5220694098
5 mm of 98 mm (3rd layer)



Form 1-78 Policy No. New

Excess Third Party Liability Policy DECLARATIONS

St. Paul Surplus Lines
Insurance Company
St. Paul, Minnesota 55101
A Capital Stock Company
Herein called the company

LC0 55 17548 [**]

Item 1. NAMED INSURED AND ADDRESS:

Hanson Industries
410 Park Avenue
New York, NY 10022

Item 2. POLICY PERIOD: *

From **10-1-86** To **10-1-87**

*12:01 A.M. Standard Time at the address of the Insured as stated herein.

AUDIT PERIOD: (If Applicable)

Annual unless otherwise stated.

Annual

Item 3. PREMIUM COMPUTATION:

Premium Basis

Estimated Exposure

2.94 / \$1,000,000

Rate

Minimum Premium

Total Advance Premium

Sales

\$3,400,000,000.

2.94

\$1,000,000.

\$1,000,000.

Item 4. UNDERLYING INSURANCE:

Insurer's Name

Policy No's. (Including Renewals or Replacements)

Description of Coverage

National Union Fire Insurance Company

To be advised

Umbrella Liability

Item 5. LIMITS OF LIABILITY: The limit of the Company's liability shall be, as stated herein, subject to all terms of this Policy having reference thereto.

SECTION I		in excess of		SECTION II		COVERAGE
COMPANY LIMITS				UNDERLYING LIMITS		
\$	Each person	\$		Each person		AUTOMOBILE Bodily Injury Property Damage Combined Single Limit
\$	Each occurrence	\$		Each occurrence		
\$	Each occurrence	\$		Each occurrence		
\$	Each occurrence	\$		Each occurrence		
\$	Each occurrence and Aggregate	\$		Each occurrence Aggregate		LIABILITY OTHER THAN AUTO Bodily Injury Property Damage Combined Single Limit
\$	Each occurrence and Aggregate	\$		Each occurrence Aggregate		
\$	Each occurrence and Aggregate	\$		Each occurrence and Aggregate		
\$	Each occurrence and Aggregate	\$		Each occurrence and Aggregate		
\$	Each claim and Aggregate	\$		Each claim Aggregate		PROFESSIONAL LIABILITY
\$	Each claim and Aggregate	\$		Each claim Aggregate		
\$ 5,000,000.	Each occurrence and Aggregate	\$ 8,000,000.		Each occurrence Aggregate		COMPREHENSIVE CATASTROPHE OR UMBRELLA LIABILITY
		\$ 8,000,000.				

10-23-86 cmb
COUNTERSIGNATURE DATE

St. Paul, MN
COUNTERSIGNED AT

AUTHORIZED REPRESENTATIVE

St Paul



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED

Hanson Industries

ENDORSEMENT

NO. 1 TO POLICY NO. LC0 55 17546

EFFECTIVE DATE 10-1-86

☐ ADDITIONAL

PREMIUM \$ N11

☐ RETURN

AIRCRAFT PRODUCTS EXCLUSION

It is agreed that this policy shall not apply to any liability arising out of aircraft products or reliance upon any representation or warranty made with respect thereto, or to any liability arising out of the grounding of any aircraft.

"Aircraft Products" means aircraft (including missiles or spacecraft) and any other goods or products manufactured, sold, handled or distributed or services provided or recommended by the insured or by others trading under your name for use in the manufacture, repair, operation, maintenance or use of any aircraft.

"Grounding" shall mean the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft, by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft or any part thereof sold, handled or distributed by the insured or manufactured, assembled or processed by any other person or organization according to specifications, plans, suggestions, orders or drawings of the insured or with tools, machinery or other equipment furnished to such persons or organizations by the insured, whether such aircraft so withdrawn are owned or operated by the same or different persons or organizations.

All other terms and conditions remain unchanged.

By _____

Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED Hanson Industries

ENDORSEMENT

NO. 2 TO POLICY NO. LC0 55 17546

EFFECTIVE DATE 10-1-86

☐ ADDITIONAL

PREMIUM \$ NIL

☐ RETURN

DISCRIMINATION/WRONGFUL TERMINATION EXCLUSION

It is agreed this policy shall not apply to personal injury arising out of discrimination or wrongful termination with respect to the employment of or failure to employ any persons.

All other terms and conditions remain unchanged.

By _____
Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED **Hanson Industries**

ENDORSEMENT

NO. **3** TO POLICY NO. **LOO 55 17546**

EFFECTIVE DATE **10-1-86**

☐ ADDITIONAL

PREMIUM \$ **Nil**

☐ RETURN

WORKER'S COMPENSATION EXCLUSION

It is agreed that this policy shall not apply to any obligation for which the INSURED, or any carrier as his insurer, may be held liable under any worker's compensation, occupational disease, unemployment compensation or disability benefits law, or under any other similar law, including United States Longshoremen's and Harbor Worker's Act, Federal Employers' Liability Act or the Jones Act.

All other terms and conditions remain unchanged.

By _____

Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED Hanson Industries

ENDORSEMENT

NO. 4 TO POLICY NO. LC0 55 17546

EFFECTIVE DATE 10-1-85

☐ ADDITIONAL

PREMIUM \$ Nil

☐ RETURN

It is hereby understood and agreed that this policy shall not apply to any
and all claims and liability arising out of Occupational Disease.

"Occupational Disease" is defined as follows:

Disease, due to conditions peculiar to the particular trade,
occupation, or employment in which the employee is exposed to the
disease.

All other terms and conditions remain unchanged.

By _____
Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED Hanson Industries

ENDORSEMENT

NO. 5 TO POLICY NO. LC0 55 17546

EFFECTIVE DATE 10-1-86

☐ ADDITIONAL

PREMIUM \$ NIT

☐ RETURN

It is understood and agreed that such insurance as is afforded by the policy shall not apply to any claim based upon or arising out of the premises, operations, products or completed operations of the following:

Interstate United
Durkee Famous Foods
Glidden Paints

All other terms and conditions remain unchanged.

By _____
Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED Hanson Industries

ENDORSEMENT

NO. 6 TO POLICY NO. L00 55 17546

EFFECTIVE DATE 10-1-86

☐ ADDITIONAL

PREMIUM \$ Nil

☐ RETURN

AIRCRAFT LIMITATION

It is agreed that this policy shall not apply to any liability for personal injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft, unless such liability is covered by valid and collectible underlying insurance as listed in the Schedule of Underlying Insurance, for the full limit shown therein, and then only for such hazards for which coverage is afforded under said underlying insurance.

All other terms and conditions remain unchanged.

By _____
Authorized Representative



St. Paul Surplus Lines
Insurance Company

ENDORSEMENT

NO. 7 TO POLICY NO. LC0 55 17546

EFFECTIVE DATE 10-1-86

NAMED
INSURED Hanson Industries

☐ ADDITIONAL

PREMIUM \$ N11

☐ RETURN

FORMALDEHYDE EXCLUSION

It is understood and agreed that the insurance afforded by this policy shall not apply to any claim based upon or arising out of the manufacture, sale, distribution, handling, installation, repair, removal, disposal or use of any product containing formaldehyde.

All other terms and conditions remain unchanged.

By _____

Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED Hanson Industries

ENDORSEMENT

NO. 8 TO POLICY NO. LC0 55 17546

EFFECTIVE DATE 10-1-86

☐ ADDITIONAL

PREMIUM \$ N11

☐ RETURN

FOREIGN LIABILITY

It is agreed that the insurance afforded by this policy shall apply with respect to liability arising out of Foreign Liability but only if such liability is covered by valid and collectible underlying insurance by an underlying policy listed in the schedule of underlying insurances and then only for such hazards for which coverage is afforded by said underlying insurance.

All other terms and conditions remain unchanged.

By _____
Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED **Hanson Industries**

ENDORSEMENT
NO. **9** TO POLICY NO. **LC0 55 17546**
EFFECTIVE DATE **10-1-86**

☐ ADDITIONAL

PREMIUM \$ **N11**

☐ RETURN

WATERCRAFT LIMITATION

It is agreed that this policy shall not apply to any liability for personal injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, unless such liability is covered by valid and collectible underlying insurance as described in the schedule of underlying insurance, and then only for such hazards for which coverage is afforded under said underlying insurance.

All other terms and conditions remain unchanged.

By _____
Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED **Hanson Industries**

ENDORSEMENT

NO. **10** TO POLICY NO. **LC0 55 17546**

EFFECTIVE DATE **10-1-86**

☐ ADDITIONAL

PREMIUM \$ **M11**

☐ RETURN

INSURANCE COMPANY ENDORSEMENT

It is agreed that this policy does not apply to the liabilities of the insured:

- (a) any obligation assumed by the insured as an insurer under contract of insurance, suretyship or reinsurance,
- (b) liability of the insured resulting from errors or omissions in the writing or failing to write contracts of insurance, suretyship or reinsurance,
- (c) liability of the insured for failure to settle any claim made under any contract of insurance, suretyship or reinsurance,
- (d) property damage to negotiable and non-negotiable instruments or contracts representing money or other property, real or personal, or other property the custody of which the insured has undertaken in any fiduciary as trustee, guardian, custodian, escrow or similar capacity either gratuitously or otherwise whether legally liable therefore or not,

All other terms and conditions remain unchanged.

By _____

Authorized Representative



St. Paul Surplus Lines
Insurance Company

NAMED
INSURED Hanson Industries

ENDORSEMENT

NO. 11 TO POLICY NO. L00 55 17546

EFFECTIVE DATE 10-1-86

☐ ADDITIONAL

PREMIUM \$ Nil

☐ RETURN

JOINT VENTURES/WRAP-UPS EXCLUSION

It is hereby understood and agreed that any joint ventures or wrap-ups undertaken by the insured, are not covered under this policy unless specifically scheduled.

All other terms and conditions remain unchanged.

By _____
Authorized Representative

Any person or organization or the right to sue and then defend who is not named a defendant. The insured shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Nothing contained in this Policy shall give any person or organization any right to join the Company as a co-defendant in any action against the insured to determine the insured's liability. Any payments by the Company under this Condition 3 shall discharge the Company's obligation to the insured to the extent of such payments.

Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the Company of any of its obligations hereunder.

4. Subrogation and Other Recoveries

In the event of any payment under this Policy, the Company shall be subrogated to all the insured's rights of recovery therefore against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after the occurrence to prejudice such rights.

Because this Policy affords excess coverage, the insured's right of recovery cannot always be exclusively subrogated to the Company. It is, therefore, agreed that the Company shall act in concert with all other interests concerned, including the insured, in the enforcement of any subrogation rights or in the recovery of amounts by any other means. The apportioning of any amounts so recovered shall follow in the principle that any interest, including the insured, that shall have paid an amount over and above any payment under this Policy shall first be reimbursed up to the amount paid by such interest; the Company shall then be reimbursed out of any balance then remaining up to the amount paid as the result of loss covered under this Policy; and lastly, the interests, including the insured, of whom this coverage is in excess are entitled to claim any residue remaining. Expenses and costs necessary to the recovery of any such amounts shall be apportioned between the interests concerned, including the insured, in the ratio of their respective recoveries or in the event of a totally unsuccessful attempt to recover, in the ratio of the respective amounts sought to be recovered.

5. Other Insurance

This Condition does not apply with respect to the "underlying insurance" or excess insurance purchased specifically to be in excess of this Policy.

If, with respect to a loss covered hereunder, the insured has other insurance, whether on a primary, excess or contingent basis, there shall be no insurance afforded hereunder as respects such loss; provided, that if the applicable limit of liability of this Policy is greater than the applicable limit of liability provided by the other insurance, this Policy shall afford excess insurance over and above such other insurance in an amount sufficient to give the insured, as respects the layer of coverage afforded by this Policy, a total limit of liability equal to the applicable limit of liability afforded by this Policy.

6. Cancellation

This Policy may be cancelled by the Named Insured by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by the Company by mailing to the Named Insured at the address shown in the Declarations written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Named Insured or by the Company shall be equivalent to mailing. If the Named Insured cancels, earned premium or minimum premium, whichever is greater, shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium or minimum premium, whichever is greater, shall be computed, pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

7. Maintenance of Underlying Insurances

It is a condition of this Policy that the policy or policies referred to in Item 4 of the Declarations, including renewal or replacements thereof, shall be maintained, without alteration of terms or conditions, in full effect during the currency of this Policy except for any reduction or exhaustion of the aggregate limit contained therein solely by reason of losses that arise out of occurrence which take place during the period of this Policy. Failure of the insured to comply with the foregoing shall not invalidate this Policy but in the event of such failure the Company shall be liable hereunder only to the extent that it would have been liable had the insured complied therewith.

8. Service of Suit

The following Service of Suit Clause is not to become effective unless or until the insured has notified this Company in each specific claim of its intention to sue.

Service of Suit Clause: It is agreed that in the event of the failure of this Company to pay any amount claimed to be due hereunder, this Company, at the request of the insured, will submit to the jurisdiction of any Court of competent jurisdiction within the United States and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court.

It is further agreed that service of process in such suit may be made upon the highest one in authority bearing the title "Commissioner", "Director", or "Superintendent" of insurance of the state or commonwealth wherein the property covered by this policy is located, and that in any suit instituted against it upon this contract this Company will abide by the final decision of such Court or any Appellate Court in the event of an appeal. The one in authority bearing the title "Commissioner", "Director", or "Superintendent" of insurance of the state or commonwealth wherein the property covered by this policy is located is hereby authorized and directed to accept service of process on behalf of this Company in any such suit and/or upon the insured's request to give a written undertaking to the insured that they will enter a general appearance upon this Company's behalf in the event such a suit shall be instituted.

IN WITNESS WHEREOF, The Company designated on the Declarations page has caused this Policy to be signed by its President and Secretary and countersigned on the Declarations page by a duly authorized representative of the Company.

Juanita R. Lewis
Secretary

Arthur F. Smith
President

This policy is not an insurance policy and is not subject to the provisions of the Insurance Code of the Commonwealth of Massachusetts. It is a contract of indemnity and is subject to the terms, conditions and exclusions of the policy and the statements made to the Company by application and subject to the terms of the payment of the premium as stated on the Declarations page, herein called the Company, A Capital Stock Company. AGREED: The Insured

INSURING AGREEMENTS

I. COVERAGE

To indemnify the Insured, in accordance with the applicable provisions of the "immediate underlying policy" for the amount of "loss" which is in excess of the applicable limits of the "underlying insurance" described in Item 4 of the Declarations.

The provisions of the "immediate underlying policy" are incorporated as part of this Policy except for any obligation to investigate and defend and pay for costs and expenses incident to the same, the amount of the limits of liability, any "other insurance" provision and any other provisions therein which are inconsistent with the provisions of this Policy.

This Policy shall apply only to coverages for which an amount is indicated in Section I of Item 5 of the Declarations and then only in excess of the corresponding amount shown in Section II of Item 5 of the Declarations.

II. POLICY PERIOD

This Policy applies only to "loss" arising out of injury, damage or destruction which occurs during the policy period stated in the Declarations.

III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this Policy, or (2) persons or organizations to whom the Insured may be liable for loss, the Company's liability shall not exceed the amounts stated in Section I of Item 5 of the Declarations.

A. With respect to coverages for which an aggregate limit is shown in Section I of Item 5 of the Declarations, aggregate means the total limit of the Company's liability during any one aggregate period either (1) with respect to any cause of loss for which the "underlying insurance" has an aggregate limit, or (2) with respect to the "products hazard" or the "completed operations hazard" (as defined herein) if the "underlying insurance" does not contain an aggregate limit with respect to these hazards.

B. Reduction Of The Aggregate

This provision applies only if this Policy contains an aggregate limit of liability which applies to the occurrence.

If the limit of liability of the "underlying insurance" is less than as stated in Section II of Item 5 of the Declarations because the aggregate limits of liability of the "underlying insurance" have been reduced, this Policy becomes excess of such reduced limit of liability if such reduction is solely the result of injury or destruction occurring after the inception date of this Policy and not before. Nothing contained herein shall operate to increase the limit of the Company's liability.

C. Application Of The Aggregate To Periods Of Time

The aggregate limits of liability of the Policy apply separately to each aggregate period. The first aggregate period of this Policy begins on the effective date of this Policy and ends on the next termination date of the aggregate period of the "immediate underlying policy." Any succeeding aggregate period of this Policy is concurrent with the aggregate period of the "immediate underlying policy" unless it is the final aggregate period. The final aggregate period of this Policy begins on the termination date of the aggregate period of the "immediate underlying policy" immediately preceding the expiration date of this Policy and ends on the expiration date of this Policy.

NUCLEAR ENERGY LIABILITY EXCLUSION

It is agreed that the insurance afforded under any liability coverage of this Policy or of any endorsement used herewith does not apply:

1. Under any Liability Coverage, to injury, sickness, disease, death or destruction

(a) with respect to which an Insured under the Policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the Insured is, or had this Policy not been issued 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.

2. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

3. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if

(a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an Insured or (2) has been discharged or dispersed therefrom;

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

(c) the injury, sickness, disease, death or destruction arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

4. As used in this Policy:

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

"nuclear material" means source material, special nuclear material or byproduct 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;

"nuclear facility" means:

- (a) any nuclear reactor;
 - (b) any equipment or device designed or used for: (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel or (3) handling, processing or packaging waste;
 - (c) any equipment or device used for the processing, fabricating or alloying special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of 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;

With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

DEFINITIONS

1. Immediate Underlying Policy

"Immediate underlying policy" means the policy of the "underlying insurance" which provides the layer of coverage, whether primary or excess, immediately preceding the layer of coverage provided by this Policy.

2. Loss

"Loss" means the sums paid as damages in settlement of a claim or in satisfaction of a judgment for which the insured is legally liable, after making deductions for all recoveries, salvages and other insurances (whether recoverable or not) other than the "underlying insurance" and excess insurance purchased specifically to be in excess of this Policy. "Loss" does not include investigation, adjustment, defense or appeal costs and expenses incident to any of the same, notwithstanding that the "underlying insurance" may provide insurance for such costs and expenses.

3. Underlying Insurance

"Underlying insurance" means the insurance policies described in Item 4 of the Declarations and includes any renewal or replacement of such policies.

4. Completed Operations Hazard

The term "completed operations hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the insured. Operations include materials, parts or equipment furnished in connection therewith.

Operations shall be deemed completed at the earliest of the following times:

- (a) when all operations to be performed by or on behalf of the insured under the contract have been completed;
- (b) when all operations to be performed by or on behalf of the insured at the site of the operations have been completed; or
- (c) when the portion of the work out of which the injury or damage arises 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.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

- (1) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof;
- (2) the existence of tools, uninstalled equipment or abandoned or unused materials.

5. Products Hazard

The term "products hazard" includes bodily injury and property damage arising out of the insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the insured and after physical possession of such products has been relinquished to others.

CONDITIONS

1. Underlying Insurance - Changes During this Policy Period

Any change in coverage or premium in the "underlying insurance" shall be promptly reported to the Company and the insured shall upon request, furnish the Company with copies of such changes.

Any change in the premium for the "underlying insurance" shall be promptly reported to the Company and the premium for this Policy, subject to the minimum premium, may be adjusted accordingly.

2. Notice of Loss; Participation in Defense by the Company

Notice of an occurrence which appears likely to involve this Policy shall be given by or on behalf of the insured to the Company or any of its authorized agents as soon as practicable. The Company at its own option may, but is not required to, participate in the investigation, settlement or defense or any claim or suit against the insured.

In the event expense in connection with any claim or suit is incurred jointly by mutual consent of the Company and of the insured or the Underlying Insurer, the Company, in addition to its limits of liability as expressed in Item 5 of the Declarations shall be liable for no greater proportion of such expense and/or costs than the amount payable by the Company under this Policy bears to the total loss payment.

3. Action Against Company

No action shall be against the Company unless, as a condition precedent thereto, the insured shall have fully complied with all the terms of this Policy.