- SCM EXCESS PMX 00084 -
Prudential Reinsur 1/1/83-1/1/84
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SCM Excess PMX 00084
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GLD052141
0049-GLD-0000052141

MAR 8 1983

Prudential Reinsurance Company

P.O. Box 908
213 Washington Street
Newark, New Jersey 07101

Policy No. PMX00084
1-1-83/84

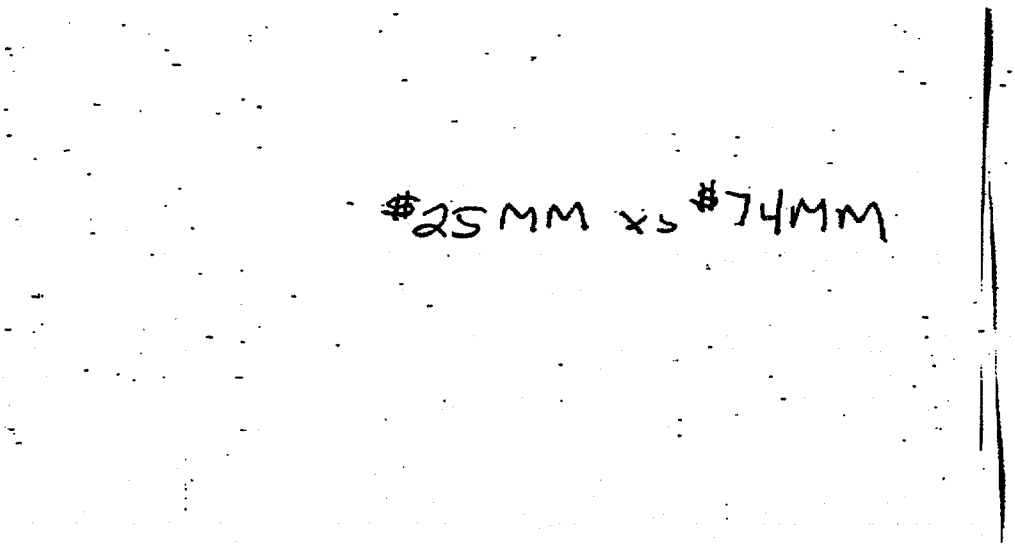
Sixth Layer
$25MM xs $175MM
Participation $2.5MM

Excess Liability Policy

A Subsidiary of The Prudential Insurance Company of America



GLD052142
0049-GLD-000052142


#25MM x5 #74MM

Prudential Reinsurance Company

HOME OFFICE
P.O. Box 908
213 Washington Street
Newark, New Jersey 07101

Excess Liability Policy

Policy No.: PMX 00084

Prior No.: PMX 00007

Producer: Marsh & McLennan, Inc.
1221 Avenue of the Americas
New York, NY 10020

Code:

DECLARATIONS

Item 1. Insured's Name and Address

SCM Corporation(As per underlying insurance as described in Item 5. of this
299 Park Avenue policy)
New York, NY 10171

Item 2. Policy Period - From: January 1, 1983 To: January 1, 1984
(12:01 A.M. Standard Time at the address of the Insured as stated herein)

Item 3. Coverage/Limits of Liability
This policy covers with respect to those coverages indicated below, and shall apply only as excess of the UNDERLYING LIMITS and then only up to the amount of THE COMPANY'S LIMITS OF LIABILITY, shown below:

COVERAGE	UNDERLYING LIMITS	THE COMPANY'S LIMITS OF LIABILITY
Excess Umbrella Liability	$74,000,000. each occurrence and annual aggregate where applicable excess of various underlying primaries and/or Self-Insured Retentions	$2,500,000. part of $25,000,000. each occurrence and annual aggregat where applicable excess of UNDERLYING LIMITS

Item 4. Premium:

A) Deposit: $2,000.

B) Annual Minimum: $2,000.

Rate: ---

Premium Basis: Flat Charge

Item 5. Schedule of Underlying Insurance: Hartford Insurance Company Umbrella Liability Policy No.(to be determined)

Item 6. Endorsement Number(s) Attached – #1, #2

December 29, 1982
Date df

Authorized Signature

PRC 2 (Ed. 7-80)

GLD052144
0049-GLD-000052144

Prudential Reinsurance Company

Policy No.: PMX 00084

STATE OF NEW YORK

MANDATORY ENDORSEMENT

Attached to and Made a Part of

Excess Liability Policy Form PRC 1 (Ed. 7-80)

It is hereby agreed that:

1. Notwithstanding anything in this Policy to the contrary, with respect to such insurance as is afforded by this Policy, the terms of this Policy as respects coverage for operations in the State of New York shall conform to the coverage requirements of the applicable insurance laws of the State of New York or the applicable regulations of the New York Insurance Department; provided, however, that the Company's limit of liability as stated in this Policy shall be excess of the limits of liability of any underlying insurance or self-insurance as stated in the Declarations or in any endorsement attached hereto.

2. Item IV, NOTICE OF OCCURRENCE of the TERMS AND CONDITIONS of the Policy, is amended to include the following two paragraphs:

"It is hereby agreed that notice given by or on behalf of the Insured, or written notice by or on behalf of the Insured to any agent of the Company shall be deemed notice to the Company.

Failure to give notice required by the terms of this policy within the time prescribed shall not invalidate the Policy if it is not

It is understood and agreed that this policy is hereby amended as indicated. All other terms and conditions remain unchanged.

Name of Insured: SCM Corporation Endorsement: #1

Producer: Marsh & McLennan, Inc. Effective Date: 1/1/83

12/29/82 df

Authorized Signature

PRC 3 (Ed. 7-80)

Prudential Reinsurance Company

Policy No.: PMX 00084

reasonably possible for the Insured to give such notice within the prescribed time and such notice is given as soon as is reasonably possible."

3. This Policy does not apply to assault and battery.

4. The following part XIV "ACTION AGAINST THE COMPANY" is added to the "TERMS AND CONDITIONS" of the policy:

"XIV ACTION AGAINST THE COMPANY"

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all terms of this policy, nor until the amount of the Insured's obligation to pay shall have been finally determined, either by judgment against the Insured or by written agreement of the Insured, the claimant and the Company. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization join the Company as a co-defendant in any action against the Insured's liability, nor shall the Company be impleaded by the Insured or his legal representative. Bankruptcy or insolvency of the Insured shall not relieve the Company of any of its obligations hereunder."

* * * * *

It is understood and agreed that this policy is hereby amended as indicated. All other terms and conditions remain unchanged.

Name of Insured: SCM Corporation Endorsement: #1

Producer: Marsh & McLennan, Inc. Effective Date: 1/1/83

12/29/82 df

Authorized Signature

PRC 3 (Ed. 7-80)

Prudential Reinsurance Company

Policy No.: PMX 00084

AMENDMENT OF CANCELLATION CONDITION

Except with respect to cancellation for non-payment of premium, it is agreed that the second sentence of Policy Condition XIII Cancellation is amended to read as follows:

This Policy may be cancelled by Prudential Reinsurance Company by mailing to the Insured, at the address shown in this policy, written notice stating when, not less than sixty(60) days thereafter such cancellation shall be effective.

It is understood and agreed that this policy is hereby amended as indicated. All other terms and conditions remain unchanged.

Name of Insured: SCM Corporation Endorsement: #2

Producer: Marsh & McLennan, Inc. Effective Date: 1/1/83

12/30/82 df

Authorized Signature

PRC 3 (Ed. 7-80)

Prudential Reinsurance Company

Policy No.: PMX 00084

In consideration of the premium charged, it is agreed Item 1. of the Declarations, Insured's Name, is amended to read:

"SCM Corporation, all subsidiaries and subsidiaries of the subsidiaries, SCM Foundation, any other company of which it assumes active management and any employer-sponsored employee association or clubs of the Named Insured and Sylvachem Corporation, Jotun Marine Coatings and Compania Envasadora Loreto S.A. as Joint Ventures."

It is understood and agreed that this policy is hereby amended as indicated. All other terms and conditions remain unchanged.

Name of Insured: SCM Corporation Endorsement: #3

Producer: Marsh & McLennan, Inc. Effective Date: 1-1-83

5-23-83 cc

Dryden & Company, Inc.

Authorized Signature

PRC 3 (Ed. 7-80)

Prudential Reinsurance Company

Policy No.: PMX 00084

FOLLOWING FORM ENDORSEMENT

It is agreed that this policy shall follow the Terms and Conditions of the policy scheduled in the Schedule of Underlying Insurance of the policy Declarations in force on the inception date of this policy, and all preprinted Terms and Conditions of this policy are amended to be consistent with those of the policy scheduled in the Schedule of Underlying Insurance; provided, however, the foregoing shall not apply to the provisions of (1) the policy Declarations, (2) the Notice of Occurrence and Cancellation paragraphs ofthe policy Terms and Conditions, and (3) any Endorsement to this policy.

It is understood and agreed that this policy is hereby amended as indicated. All other terms and conditions remain unchanged.

Name of Insured: SCM Corporation Endorsement: #4

Producer: Marsh & McLennan, Inc. Effective Date: 1-1-83

5-23-83 cc

Dryden & Company, Inc.

Authorized Signature

PRC 3 (Ed. 7-80)