GERLING SLP 509/DL 165995 10/1/95 - 9/30/96

N17687

LIABILITY - UMBRELLA 10/1/96
HANSON GERLING SLP
509/DL165995

COMPANY POLICY

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

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

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

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

IN WITNESS WHEREOF I, being a representative of the Insurers and authorised by the said Insurers to sign this Policy on their behalf, have hereunto subscribed my name this 27th day of August One Thousand nine hundred and 96

GERLING-KONZERN
ALLGEMEINE VERSICHERUNGS-AKTIENGESELLSCHAFT
i.V. Freudenberg i.A.

S.R.1. (WDG)

Date: 20th August 1996

Policy No. DL165995

THE SCHEDULE

The Insured	HANSON Plc and all subsidiaries and/or associated companies
Premium	US$123,529.70 (plus US$41,176.47 in respect of Prior Acts Extension) for the 70.00% insured hereon
Sum Insured	70.00% of: US$25,000,000 any one occurrence, but in the aggregate in respect of Products <u>Excess of</u>: Underlying Limits as more fully set forth in the attached wording
The Interest Insured	Excess Liability Insurance (Occurrence basis) as more fully set forth in the attached wording

Period of Insurance

From 1st October 1995 To 30th September 1996
both days inclusive

The Insurers	Proportion	Reference Numbers
GERLING-KONZERN Allgemeine Versicherungs-Aktiengesellschaft	70.00%	93/500 009/01

EXCESS LIABILITY POLICY

INSURING AGREEMENTS:

I COVERAGE -

The Company hereby agrees, subject to the limitations, terms and conditions hereinafter mentioned, to indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of the liability caused by or arising out of the hazards covered by and as more fully defined in the lead underlying liability policy as more fully stated in Item 2 of the Declarations.

II LIMIT OF INDEMNITY -

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

$ (as stated in Item 3 of the Declarations)	ultimate net loss in respect of each occurrence, but
$ (as stated in Item 4 of the Declarations)	in the aggregate for each annual period during the currency of this Policy, in respect of the Products Hazard and Completed Operations Hazard

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

$ (as stated in Item 5 of the Declarations)	ultimate net loss in all in respect of each occurrence - subject to a limit of
$ (as stated in Item 6 of the Declarations)	in the aggregate for each annual period during the
	currency of this Policy in respect of Products Liability Hazard and Completed Operations Hazard.

CONDITIONS:

1. PRIOR INSURANCE AND NON CUMULATION OF LIABILITY -

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

2. MAINTENANCE OF UNDERLYING LIABILITY INSURANCE -

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

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

3. ASSISTANCE AND CO-OPERATION -

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

4. CANCELLATION -

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

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

5. OTHER INSURANCE -

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

6. NOTICE OF OCCURRENCE -

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

DECLARATIONS

ITEM 1. a) NAMED ASSURED:

Hanson Plc and all Subsidiaries and/or Associated Companies

b) ADDRESS OF NAMED ASSURED:

1 Grosvenor Place,
London,
SW1X 7JH

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

1) 3200675894
2) W51033
3) to be advised
4) 62/97411/D (lead liability policy)

b) UNDERLYING INSURER(S):

1) American Insurance Group
2) Winterthur Ins.
3) American Insurance Group
4) Gerling Konzern General Insurance Company (lead liability policy)

ITEM 3. UNDERLYING LIMITS (Insuring Agreement II):

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

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

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

ITEM 5.	LIMIT OF INDEMNITY (Insuring Agreement II):	US$25,000,000	
ITEM 6.	AGGREGATE LIMIT OF INDEMNITY (Insuring Agreement II):	US$25,000,000	
ITEM 7.	POLICY PERIOD:	From 1st October 1995 to 30th September 1996 both days inclusive	
ITEM 8.	NOTICE OF OCCURRENCE (Condition 6) to: Marsh & McLennan Global Broking Ltd, The Bowring Building, Tower Place, London EC3P 3BE. U.K.		

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 1

Effective: Inception

It is hereby understood and agreed that this Policy follows all terms, conditions, exclusions, endorsements and extensions of the lead underlying liability Policy issued by Gerling Konzern (Policy No. 62/97411/D).

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

1) In respect of USA/Canada operations:

(a) Legal Costs inclusive within the Limits of Imdemnity
(b) Asbestos exclusion
(c) Occupational Disease exclusion in respect of Peabody
(d) Pollution on Time Element basis

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

(a) this Policy shall follow the terms and conditions of the primary policy issued by the Eagle Star

(b) the following clause shall apply

INDUSTRIES, SEEPAGE, POLLUTION AND CONTAMINATION CLAUSE No. 3

Approved by Lloyd's Underwriters' Non-Marine Association

This Insurance does not cover any liability for:

(1) Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (1) shall not apply to liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.

(2) The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.

(3) Fines, penalties, punitive or exemplary damages.

This Clause shall not extend this Insurance to cover any liability which would not have been covered under this Insurance had this Clause not been attached.

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N.M.A. 1685

3) In respect of the Worldwide coverage:

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

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 2

Effective: Inception

PRIOR ACTS EXTENSION

It is understood and agreed that this Policy is extended to indemnify the Insured against liability arising from any claim first made in writing against the Insured on or after 1st October consequent upon

(a)	Personal Injury	)resulting during the period from 9th January
(b)	Property Damage	)1986 to 1st October 1995
(c)	Advertising Liability	)

in respect of which the Insured is unable to obtain indemnity (either in whole or in part) under any previous policy

Provided always that

(i) the failure of the Insured to obtain indemnity under any previous policy is due solely to the application of an Occurrence Reported Basis

(ii) for the purposes of this Policy all Bodily Injury and/or Property Damage to which this extension applies shall be regarded as having resulted during the Policy Period commencing 1st October 1995 regardless of the number of claims or the date on which such claims are made

(iii) such claim is notified to the Company in writing immediately on receipt by the Insured

(iv) the Company shall not be liable for any liability arising from any claim consequent upon any circumstances or occurrence which have/has been notified prior to the effective date of this extension under any previous policy

(v) nothing contained in this extension shall increase the liability of the Company under this Policy beyond the Limits of Indemnity

(vi) the following retentions apply:

9th January 1986 - 1st October 1991	US$50,000,000 any one occurrence and in the aggregate for products but always in excess of US$25,000,000 any one occurrence for General Liability, Automobile Liability and Employers Liability
1st October 1991 - 1st October 1994	US$50,000,000 any one occurrence and in the aggregate for products but always in excess of US$50,000,000 any one occurrence in excess of US$5,000,000 any one occurrence for General Liability, Automobile Liability and Employers Liability

1st October 1994 - 1st October 1995	US$75,000,000 any one occurrence in excess of US$5,000,000 any one occurrence for General Liability, Automobile Liability and Employers Liability

(vii) Limits of Indemnity applying:

9th January 1986 - 1st October 1991	US$25,000,000 any one occurrence and in the aggregate for products
1st October 1991 - 1st October 1994	US$25,000,000 any one occurrence and in the aggregate for products
1st October 1994 - 1st October 1995	US$25,000,000 any one occurrence and in the aggregate for products

WARRANTY

On the effective date of this extension, the Insured warrants that after enquiry the Insured has no knowledge of any circumstances or occurrence which might give rise to a claim under this extension.

DEFINITION

"an Occurrence Reported Basis" means any terms or conditions of the previous policy placed by Sedgwicks with A.E.I.A. (Policy Number to be advised)

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 3

Effective: Inception

DEUTSCHE GROVE GmBh ENDORSEMENT

It is hereby understood and agreed that the newly named Deutsche Grove GmBh will be included in the Liability Liability programme.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 4

Effective: Inception

MAINE - WORKERS COMPENSATION/EMPLOYER'S LIABILITY

It is hereby understood and agreed that the Employer's Liability policy for Surburban Propane in Maine is to be included in the Underlying Schedule of Insurance of the Hanson Liability Liability programme.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 5

Effective: Inception

DRYDOCK BUILDERS' ENTERPRISES JOINT VENTURE

It is hereby understood and agreed that the Tidewater Construction and Kiewit Construction Joint Venture, Drydock Builder's Enterprises, is to be covered under the Hanson Excess Liability programme for the construction of a drydock extension for Newport News Shipbuilding and Drydock Corporation. The cost of the project running to May 1996 is US$22,000,000. The Joint Venture is 66 2/3% Tidewater and 33 1/3% Kiewit.

It is further noted and agreed that with effect from inception cover is provided for Drydock Builders' Enterprises who have been awarded another job, for the construction of HOV lanes for the Virginia Department of Transportation. This US$36,000,000 job will continue for approximately 33 months into 1998.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 6

Effective: 1st March, 1996

It is hereby understood and agreed that the Insured's Subsidiary Company Suburban Propane having been sold, the insurance provided by this Policy in respect thereof is cancelled, in consideration of which there is a pro-rata return premium of US$12,259.00 due to the Insured.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 7

Effective: 1st October, 1995

i) It is hereby understood and agreed that 1) and 3) of ITEM 2 of the Declarations are amended respectively to read as follows:-

1) 3200675895
3) 32007374

ii) It is further understood and agreed that the following item (i) is added to Section 3) of Endorsement No. 1:-

(i) Advertising Liability

iii) It is further understood and agreed that Endorsement No. 2, PRIOR ACTS EXTENSION is effective from 1st October 1995.

iv) It is further understood and agreed that paragraph two of Section (vi) of Endorsement No. 2 is cancelled and replaced by the following:-

1st October 1991 - 1st October 1994	US$25,000,000 any one occurrence and in the aggregate for products but always in excess of US$50,000,000 any one occurrence in excess of US$5,000,000 any one occurrence for General Liability, Automobile Liability and Employers Liability

v) Endorsement No. 3 shall be amended to read as follows:

It is hereby understood and agreed that Deutsche Grove GmbH shall be included in the Liability program.

vi) Notwithstanding Endorsement No. 5 of this Policy, it is hereby understood and agreed that the Joint Venture Drydock Builder's Enterprises is covered under the Hanson Excess Liability program for all projects without limitation, subject always to the terms, conditions, exclusions, endorsements and extensions of the lead underlying liability Policy issued by Gerling Konzern (Policy No. 62/97411/D).

continued over

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 7 (continued)

vii) It is further understood and agreed that ITEM 3 of the Declarations is cancelled and replaced by the following:-

ITEM 3. UNDERLYING LIMITS
(Insuring Agreement II):

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

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

viii) Endorsement No. 4 is cancelled in its entirety and replaced by the following:

MAINE - WORKERS COMPENSATION/EMPLOYER'S LIABILITY

It is hereby understood and agreed that the Employer's Liability policy for Quantum Chemicals in Maine is to be included in the Underlying Schedule of Insurance of the Hanson Liability program.

All other terms and conditions remain unchanged.

GERLING-KONZERN
ALLGEMEINE VERSICHERUNGS AKTIENGESELLSCHAFT

Signed by: i.V. [signature] i.A. [signature] Date: 20-1-97

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ATTACHMENT 1

SCHEDULE OF UNDERLYING INSURANCES

Period of Insurance: 1st October 1995/30th September 1996

COVER	INSURER	TERM	LIMIT OF INDEMNITY
REST OF WORLD PRIMARY POLICIES			
Public and Products Liability (including DIC/DIL for overseas territories	100% Eagle Star Insurance Group	01/10/95 - 30/09/96	£1,000,000 any one occurrence, in aggregate for Products Liability
Public and Products Liability (SCM Chemicals - Australia)	100% Switzerland General Insurance Company	01/10/95 - 30/09/96	A$5,000,000 each occurrence and in aggregate
USA/CANADA PRIMARY POLICIES			
I) HANSON INDUSTRIES - Domestic USA and Canada			
Employers Liability (a)	CIGNA	01/10/95- 01/10/96	$2,000,000 each accident $2,000,000 disease policy limit $2,000,000 disease each employee
Employers' Liability (b)	MEMIC	01/10/95-01/10/96	$1,000,000 each accident $1,000,000 disease policy limit £2,000,000 disease each employee
Comprehensive General Liability	CIGNA	01/10/95 - 01/10/96	$3,000,000 per occurrence - indemnity only (no aggregate)
Products/Completed Operations	CIGNA	01/10/95 - 01/10/96	$5,000,000 per occurrence - indemnity only (no aggregate)
Automobile Liability	CIGNA	01/10/95 - 01/10/96	$2,000,000 per occurrence CSL - indemnity only
II) Beazer West Inc			
Employers' Liability/Excess Workmen's Compensation Pol N0 08 XC 223 SCA	Aetna Casualty & Surety	01/8/95 - 01/8/96	$1,000,000 each accident $1,000,000 disease policy limit $1,000,000 disease each employee
III) PEABODY HOLDING CO			
Employers Liability Pol No OBCO1559202	1 Old Republic a Peabody b Lee Ranch Coal	01/10/95 - 01/10/96	$1,000,000 each accident $1,000,000 disease policy limit $1,000,000 disease each employee
Employers Liability Pol No OBCO1550702	2 Old Republic	01/10/95 - 01/10/96	$1,000,000 each accident $1,000,000 disease policy limit $1,000,000 disease each employee
IV) TIDEWATER CONSTRUCTION CORPORATION			
Commercial General Liability Pol No RG1-651-004723-075	Liberty Mutual	01/3/95 - 01/3/96	$2,000,000 per occurrence $100,000 deductible
Employers' Liability Pol Nos WC2-651-004723-035/065 and WC2-651-004502-135	Liberty Mutual	01/3/95 - 01/3/96	$1,000,000 each accident $1,000,000 disease policy limit $1,000,000 disease each employee $250,000 SIR per claim
Automobile Liability Pol Nos AS1-651-004723-135/665 and AS1-651-004502-125	Liberty Mutual	01/3/95 - 01/3/96	$2,000,000 per occurrence
Owners and Contractors Liability Pol No LX1-651-004723-555	Liberty Mutual	01/3/95 - 01/3/96	$2,000,000 per occurrence

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Umbrella Liability Pol No RT1-651-004723-695	Liberty Mutual	01/3/95 - 01/3/96	$8,000,000 per occurrence
Watercraft Liability	Arkwright, Utica Mutual, Reliance	01/3/95-01/3/96	$40,000,000 excess of $10,000,000 excess of underlying amounts
V) GIFFORD-HILL AMERICAN, INC			
General Liability Pol No CRR338592	Commercial Union Insurance Co	01/1/95 - 01/1/96	$1,000,000 per occurrence
			$2,000,000 general aggregate
			$2,000,000 products/completed operations aggregate
			$1,000,000 advertising injury
Automobile Liability Pol Nos ARR463002 and CRR463001	Commercial Union Insurance Co	01/1/95 - 01/1/96	$1,000,000 combined single limit
Excess Liability Pol No CRD23356	Commercial Union Insurance Co	01/1/95 - 01/1/96	$4,000,000 per occurrence
			$4,000,000 general aggregate
			$4,000,000 products/completed operations aggregate
Employers' Liability Pol No WA2-190-089731-015	Liberty Mutual	01/1/95 - 01/1/96	$500,000 per occurrence
VI) DEUTSCHE GROVE (GmbH, Wilhelmshaven)			
Public/Products Liability	HDI Essen	01/9/95-01/9/96	DM10,000,000
Environmental Liability	HDI Essen	01/9/95-01/9/96	DM20,000,000
VII) DRYDOCK BUILDERS ENTERPRISES A Joint Venture			
Employers' Liability Pol No WC1-651-004116-041	Liberty Mutual	02/11/94-01/5/96	$500,000 each accident $500,000 disease - policy limit $500,000 disease - each employee
General Liability Pol No RG1-651-004116-024	Liberty Mutual	02/11/94 - 02/5/96	$2,000,000 each occurrence $2,000,000 general aggregate $2,000,000 completed operations aggregate
Automobile Liability Pol No AS2-651-004116-034	Liberty Mutual	02/11/94 - 01/5/96	$2,000,000 each accident
Umbrella Liability Pol No RT1-651-004118-044	Liberty Mutual	02 11/94 - 01/5/96	$8,000,000 excess of primaries
VIII) NIELSON INC			
Commercial General Liability Pol No GLRU990416	US Fire Insurance Co	10/9/95 - 01/4/96	$1,000,000 each occurrence $2,000,000 Products/Completed Operations aggregate $5,000,000 general aggregate
Automobile Liability Pol No BAU990713	Zurich Insurance Co	10/9/95 - 01/4/96	$1,000,000 each occurrence
Employers' Liability Pol No WCU990063	Zurich Insurance Co	10/9/95 - 01/4/96	$1,000,000 each accident $1,000,000 Disease Policy Limit $1,000,000 disease each employee
Umbrella Liability Pol No 553023915	US Fire Insurance Co	10/9/95 - 01/4/96	$10,000,000 each occurrence $10,000,000 general aggregate $10,000,000 Products/Completed Operations aggregate

i.v. [illegible] 20/1/97

COMPANY POLICY

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

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

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

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

IN WITNESS WHEREOF I, being a representative of the Insurers and authorised by the said Insurers to sign this Policy on their behalf, have hereunto subscribed my name this 27th day of August One Thousand nine hundred and 96

GERLING-KONZERN
ALLGEMEINE VERSICHERUNGS-AKTIENGESELLSCHAFT

i.V. Freudenberg i.A.

S.R.1. (WDG)

GLD056576

0049-GLD-000056576

Date: 20th August 1996

Policy No. DL165995

THE SCHEDULE

The Insured	HANSON Plc and all subsidiaries and/or associated companies
Premium	US$123,529.70 (plus US$41,176.47 in respect of Prior Acts Extension) for the 70.00% insured hereon
Sum Insured	70.00% of: US$25,000,000 any one occurrence, but in the aggregate in respect of Products <u>Excess of</u>: Underlying Limits as more fully set forth in the attached wording
The Interest Insured	Excess Liability Insurance (Occurrence basis) as more fully set forth in the attached wording

Period of Insurance

From 1st October 1995 To 30th September 1996
both days inclusive

The Insurers	Proportion	Reference Numbers
GERLING-KONZERN Allgemeine Versicherungs-Aktiengesellschaft	70.00%	93/500 009/01

EXCESS LIABILITY POLICY

INSURING AGREEMENTS:

I COVERAGE -

The Company hereby agrees, subject to the limitations, terms and conditions hereinafter mentioned, to indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of the liability caused by or arising out of the hazards covered by and as more fully defined in the lead underlying liability policy as more fully stated in Item 2 of the Declarations.

II LIMIT OF INDEMNITY -

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

$ (as stated in Item 3 of the Declarations)	ultimate net loss in respect of each occurrence, but
$ (as stated in Item 4 of the Declarations)	in the aggregate for each annual period during the currency of this Policy, in respect of the Products Hazard and Completed Operations Hazard

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

$ (as stated in Item 5 of the Declarations)	ultimate net loss in all in respect of each occurrence - subject to a limit of
$ (as stated in Item 6 of the Declarations)	in the aggregate for each annual period during the
	currency of this Policy in respect of Products Liability Hazard and Completed Operations Hazard.

GLD056579

0049-GLD-000056579

CONDITIONS:

1. PRIOR INSURANCE AND NON CUMULATION OF LIABILITY -

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

2. MAINTENANCE OF UNDERLYING LIABILITY INSURANCE -

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

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

3. ASSISTANCE AND CO-OPERATION -

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

4. CANCELLATION -

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

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

5. OTHER INSURANCE -

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

6. NOTICE OF OCCURRENCE -

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

DECLARATIONS

ITEM 1. a) NAMED ASSURED:

Hanson Plc and all Subsidiaries and/or Associated Companies

b) ADDRESS OF NAMED ASSURED:

1 Grosvenor Place,
London,
SW1X 7JH

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

1) 3200675894
2) W51033
3) to be advised
4) 62/97411/D (lead liability policy)

b) UNDERLYING INSURER(S):

1) American Insurance Group
2) Winterthur Ins.
3) American Insurance Group
4) Gerling Konzern General Insurance Company (lead liability policy)

ITEM 3. UNDERLYING LIMITS (Insuring Agreement II):

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

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

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

ITEM 5.	LIMIT OF INDEMNITY (Insuring Agreement II):	US$25,000,000
ITEM 6.	AGGREGATE LIMIT OF INDEMNITY (Insuring Agreement II):	US$25,000,000
ITEM 7.	POLICY PERIOD:	From 1st October 1995 to 30th September 1996 both days inclusive

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

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

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 1

Effective: Inception

It is hereby understood and agreed that this Policy follows all terms, conditions, exclusions, endorsements and extensions of the lead underlying liability Policy issued by Gerling Konzern (Policy No. 62/97411/D).

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

1) In respect of USA/Canada operations:

(a) Legal Costs inclusive within the Limits of Imdemnity
(b) Asbestos exclusion
(c) Occupational Disease exclusion in respect of Peabody
(d) Pollution on Time Element basis

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

(a) this Policy shall follow the terms and conditions of the primary policy issued by the Eagle Star

(b) the following clause shall apply

INDUSTRIES, SEEPAGE, POLLUTION AND CONTAMINATION CLAUSE No. 3
(Approved by Lloyd's Underwriters' Non-Marine Association)

This Insurance does not cover any liability for:

(1) Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (1) shall not apply to liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.

(2) The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.

(3) Fines, penalties, punitive or exemplary damages

This Clause shall not extend this Insurance to cover any liability which would not have been covered under this Insurance had this Clause not been attached

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3) In respect of the Worldwide coverage:

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

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 2

Effective: Inception

PRIOR ACTS EXTENSION

It is understood and agreed that this Policy is extended to indemnify the Insured against liability arising from any claim first made in writing against the Insured on or after 1st October consequent upon

(a)	Personal Injury	)resulting during the period from 9th January
(b)	Property Damage	)1986 to 1st October 1995
(c)	Advertising Liability	)

in respect of which the Insured is unable to obtain indemnity (either in whole or in part) under any previous policy

Provided always that

(i) the failure of the Insured to obtain indemnity under any previous policy is due solely to the application of an Occurrence Reported Basis

(ii) for the purposes of this Policy all Bodily Injury and/or Property Damage to which this extension applies shall be regarded as having resulted during the Policy Period commencing 1st October 1995 regardless of the number of claims or the date on which such claims are made

(iii) such claim is notified to the Company in writing immediately on receipt by the Insured

(iv) the Company shall not be liable for any liability arising from any claim consequent upon any circumstances or occurrence which have/has been notified prior to the effective date of this extension under any previous policy

(v) nothing contained in this extension shall increase the liability of the Company under this Policy beyond the Limits of Indemnity

(vi) the following retentions apply:

9th January 1986 - 1st October 1991	US$50,000,000 any one occurrence and in the aggregate for products but always in excess of US$25,000,000 any one occurrence for General Liability, Automobile Liability and Employers Liability
1st October 1991 - 1st October 1994	US$50,000,000 any one occurrence and in the aggregate for products but always in excess of US$50,000,000 any one occurrence in excess of US$5,000,000 any one occurrence for General Liability, Automobile Liability and Employers Liability

1st October 1994 - 1st October 1995	US$75,000,000 any one occurrence in excess of US$5,000,000 any one occurrence for General Liability, Automobile Liability and Employers Liability

(vii) Limits of Indemnity applying:

9th January 1986 - 1st October 1991	US$25,000,000 any one occurrence and in the aggregate for products
1st October 1991 - 1st October 1994	US$25,000,000 any one occurrence and in the aggregate for products
1st October 1994 - 1st October 1995	US$25,000,000 any one occurrence and in the aggregate for products

WARRANTY

On the effective date of this extension, the Insured warrants that after enquiry the Insured has no knowledge of any circumstances or occurrence which might give rise to a claim under this extension.

DEFINITION

"an Occurrence Reported Basis" means any terms or conditions of the previous policy placed by Sedgwicks with A.E.I.A. (Policy Number to be advised)

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 3

Effective: Inception

DEUTSCHE GROVE GmBh ENDORSEMENT

It is hereby understood and agreed that the newly named Deutsche Grove GmBh will be included in the Liability Liability programme.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 4

Effective: Inception

MAINE - WORKERS COMPENSATION/EMPLOYER'S LIABILITY

It is hereby understood and agreed that the Employer's Liability policy for Surburban Propane in Maine is to be included in the Underlying Schedule of Insurance of the Hanson Liability Liability programme.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 5

Effective: Inception

DRYDOCK BUILDERS' ENTERPRISES JOINT VENTURE

It is hereby understood and agreed that the Tidewater Construction and Kiewit Construction Joint Venture, Drydock Builder's Enterprises, is to be covered under the Hanson Excess Liability programme for the construction of a drydock extension for Newport News Shipbuilding and Drydock Corporation. The cost of the project running to May 1996 is US$22,000,000. The Joint Venture is 66 2/3% Tidewater and 33 1/3% Kiewit.

It is further noted and agreed that with effect from inception cover is provided for Drydock Builders' Enterprises who have been awarded another job, for the construction of HOV lanes for the Virginia Department of Transportation. This US$36,000,000 job will continue for approximately 33 months into 1998.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 6

Effective: 1st March, 1996

It is hereby understood and agreed that the Insured's Subsidiary Company Suburban Propane having been sold, the insurance provided by this Policy in respect thereof is cancelled, in consideration of which there is a pro-rata return premium of US$12,259.00 due to the Insured.

All other terms and conditions remain unchanged.

Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 7

Effective: 1st October, 1995

i) It is hereby understood and agreed that 1) and 3) of ITEM 2 of the Declarations are amended respectively to read as follows:-

1) 3200675895
3) 32007374

ii) It is further understood and agreed that the following item (i) is added to Section 3) of Endorsement No. 1:-

(i) Advertising Liability

iii) It is further understood and agreed that Endorsement No. 2, PRIOR ACTS EXTENSION is effective from 1st October 1995.

iv) It is further understood and agreed that paragraph two of Section (vi) of Endorsement No. 2 is cancelled and replaced by the following:-

1st October 1991 - 1st October 1994	US$25,000,000 any one occurrence and in the aggregate for products but always in excess of US$50,000,000 any one occurrence in excess of US$5,000,000 any one occurrence for General Liability, Automobile Liability and Employers Liability

v) Endorsement No. 3 shall be amended to read as follows:

It is hereby understood and agreed that Deutsche Grove GmbH shall be included in the Liability program.

vi) Notwithstanding Endorsement No. 5 of this Policy, it is hereby understood and agreed that the Joint Venture Drydock Builder's Enterprises is covered under the Hanson Excess Liability program for all projects without limitation, subject always to the terms, conditions, exclusions, endorsements and extensions of the lead underlying liability Policy issued by Gerling Konzern (Policy No. 62/97411/D).

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Attaching to and forming part of Policy No. 509/DL165995

Issued to: **Hanson Plc and all Subsidiaries and/or Associated Companies**

ENDORSEMENT NO. 7 (continued)

vii) It is further understood and agreed that ITEM 3 of the Declarations is cancelled and replaced by the following:-

ITEM 3. UNDERLYING LIMITS
(Insuring Agreement II):

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

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

viii) Endorsement No. 4 is cancelled in its entirety and replaced by the following:

MAINE - WORKERS COMPENSATION/EMPLOYER'S LIABILITY

It is hereby understood and agreed that the Employer's Liability policy for Quantum Chemicals in Maine is to be included in the Underlying Schedule of Insurance of the Hanson Liability program.

All other terms and conditions remain unchanged.

GERLING-KONZERN
ALLGEMEINE VERSICHERUNGS-AKTIENGESELLSCHAFT

Signed by: i.V. [illegible] i.A. [illegible] Date: 20-1-97

ATTACHMENT 1

SCHEDULE OF UNDERLYING INSURANCES

Period of Insurance: 1st October 1995/30th September 1996

COVER	INSURER		TERM	LIMIT OF INDEMNITY
REST OF WORLD PRIMARY POLICIES				
Public and Products Liability (including DIC/DIL for overseas territories	100% Eagle Star Insurance Group		01/10/95 - 30/09/96	£1,000,000 any one occurrence, in aggregate for Products Liability
Public and Products Liability (SCM Chemicals - Australia)	100% Switzerland General Insurance Company		01/10/95 - 30/09/96	A$5,000,000 each occurrence and in aggregate
USA/CANADA PRIMARY POLICIES				
I) HANSON INDUSTRIES - Domestic USA and Canada				
Employers Liability (a)	CIGNA		01/10/95- 01/10/96	$2,000,000 each accident $2,000,000 disease policy limit $2,000,000 disease each employee
Employers' Liability (b)	MEMIC		01/10/95-01/10/96	$1,000,000 each accident $1,000,000 disease policy limit £2,000,000 disease each employee
Comprehensive General Liability	CIGNA		01/10/95 - 01/10/96	$3,000,000 per occurrence - indemnity only (no aggregate)
Products/Completed Operations	CIGNA		01/10/95 - 01/10/96	$5,000,000 per occurrence - indemnity only (no aggregate)
Automobile Liability	CIGNA		01/10/95 - 01/10/96	$2,000,000 per occurrence CSL - indemnity only
II) Beazer West Inc				
Employers' Liability/Excess Workmen's Compensation Pol N0 08 XC 223 SCA	Aetna Casualty & Surety		01/8/95 - 01/8/96	$1,000,000 each accident $1,000,000 disease policy limit $1,000,000 disease each employee
III) PEABODY HOLDING CO				
Employers Liability Pol No OBCO1559202	1	Old Republic a Peabody b Lee Ranch Coal	01/10/95 - 01/10/96	$1,000,000 each accident $1,000,000 disease policy limit $1,000,000 disease each employee
Employers Liability Pol No OBCO1550702	2	Old Republic	01/10/95 - 01/10/96	$1,000,000 each accident $1,000,000 disease policy limit $1,000,000 disease each employee
IV) TIDEWATER CONSTRUCTION CORPORATION				
Commercial General Liability Pol No RG1-651-004723-075	Liberty Mutual		01.3.95 - 01.3.96	$2,000,000 per occurrence $100,000 deductible
Employers' Liability Pol Nos WC2-651-004723-035/065 and WC2-651-004502-135	Liberty Mutual		01.3.95 - 01.3.96	$1,000,000 each accident $1,000,000 disease policy limit $1,000,000 disease each employee $250,000 SIR per claim
Automobile Liability Pol Nos AS1-651-004723-135/665 and AS1-651-004502-125	Liberty Mutual		01.3.95 - 01.3.96	$2,000,000 per occurrence
Owners and Contractors Liability Pol No LX1-651-004723-555	Liberty Mutual		01.3.95 - 01.3.96	$2,000,000 per occurrence

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Umbrella Liability Pol No RT1-651-004723-695	Liberty Mutual	01/3/95 - 01/3/96	$8.000.000 per occurrence
Watercraft Liability	Arkwright, Utica Mutual, Reliance	01/3/95-01/3/96	$40,000,000 excess of $10.000.000 excess of underlying amounts
V) GIFFORD-HILL AMERICAN, INC			
General Liability Pol No CRR338592	Commercial Union Insurance Co	01/1/95 - 01/1/96	$1.000.000 per occurrence $2.000.000 general aggregate $2.000.000 products/completed operations aggregate $1.000.000 advertising injury
Automobile Liability Pol Nos ARR463002 and CRR463001	Commercial Union Insurance Co	01/1/95 - 01/1/96	$1.000.000 combined single limit
Excess Liability Pol No CRD23356	Commercial Union Insurance Co	01/1/95 - 01/1/96	$4.000.000 per occurrence $4.000.000 general aggregate $4.000.000 products/completed operations aggregate
Employers' Liability Pol No WA2-190-089731-015	Liberty Mutual	01/1/95 - 01/1/96	$500.000 per occurrence
VI) DEUTSCHE GROVE (GmbH, Wilhelmshaven)			
Public/Products Liability	HDI Essen	01/9/95-01/9/96	DM10.000.000
Environmental Liability	HDI Essen	01/9/95-01/9/96	DM20.000.000
VII) DRYDOCK BUILDERS ENTERPRISES A Joint Venture			
Employers' Liability Pol No WC1-651-004116-041	Liberty Mutual	02/11/94-01/5/96	$500.000 each accident $500.000 disease - policy limit $500.000 disease - each employee
General Liability Pol No RG1-651-004116-024	Liberty Mutual	02/11/94 - 02/5/96	$2.000.000 each occurrence $2.000.000 general aggregate $2.000.000 completed operations aggregate
Automobile Liability Pol No AS2-651-004116-034	Liberty Mutual	02/11/94 - 01/5/96	$2.000.000 each accident
Umbrella Liability Pol No RT1-651-004118-044	Liberty Mutual	02/11/94 - 01/5/96	$8.000.000 excess of primaries
VIII) NIELSON INC			
Commercial General Liability Pol No GLRU990416	US Fire Insurance Co	10/9/95 - 01/4/96	$1.000.000 each occurrence $2.000.000 Products/Completed Operations aggregate $5.000.000 general aggregate
Automobile Liability Pol No BAU990713	Zurich Insurance Co	10/9/95 - 01/4/96	$1.000.000 each occurrence
Employers' Liability Pol No WCU990063	Zurich Insurance Co	10/9/95 - 01/4/96	$1.000.000 each accident $1.000.000 Disease Policy Limit $1.000.000 disease each employee
Umbrella Liability Pol No 553023915	US Fire Insurance Co	10/9/95 - 01/4/96	$10.000.000 each occurrence $10.000.000 general aggregate $10.000.000 Products/Completed Operations aggregate

i.V. [illegible] i.A. [illegible] 2/9