

Marsh & McLennan, Incorporated
One Woodward Ave., Detroit, Michigan 48226
(313) 962-0034

CONFIRMATION OF INSURANCE

Date **November 26, 1986**

This is to confirm that we have effected the following insurance for:

INSURED: The Dow Chemical Company
 Midland, MI 48674

COVERING: Umbrella Excess Liability -- Occurrence Form

AMOUNT OR LIMIT OF LIABILITY: \$5,000,000 Combined Single Limit per Occurrence
 Subject to a \$10,000,000 Policy Aggregate Limit

PERIOD OF INSURANCE: December 1, 1986 to December 1, 1987

☐ 12:00 Noon

☒ 12:01 A.M.

PREMIUM: \$6,300,000 Flat Charge

INSURED WITH: National Indemnity Company

PARTICIPATION 100%

POLICY NUMBER: EL 50522

Subject to terms and conditions of the policy issued by the insurance carrier.

This document is intended for use as evidence that insurance described above has been effected, against which underwriters certificate or policy will be duly issued. Immediate advice must be given of any discrepancies, inaccuracies or necessary changes.

**Marsh &
McLennan**

BY

Thomas B. Melburn



NATIONAL INDEMNITY COMPANY

a stock insurance company
3024 Harney Street
Omaha, Nebraska 68131

**EXCESS LIABILITY POLICY
WITH AGGREGATE POLICY LIMIT
INCLUSIVE OF CLAIMS EXPENSES**

POLICY NUMBER EL 50522

ONE WOODWARD AVENUE, SUITE 1200
DETROIT, MICHIGAN 48226-3493
TELEPHONE 313 965-5400

**Marsh &
McLennan**

Policy Inception Date: December 1, 1986

Manuscript Policy Form

DO 124027
CONFIDENTIAL



THE AGGREGATE LIMIT OF LIABILITY AVAILABLE
TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE
REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES

DECLARATIONS

NAMED INSURED

THE DOW CHEMICAL COMPANY ("Dow Chemical") AND DOW CORNING CORPORATION ("Dow Corning") and any domestic corporation or company in which either or both owns or may own directly or indirectly fifty percent (50%) or more of the combined voting power and any foreign corporation or company in which either or both owns or may own directly or indirectly more than fifty percent (50%) of the combined voting power. Subsidiary companies and corporations, owned by subsidiary companies and corporations of the Named Insured, are included as Insureds if the percentage of ownership is in accordance with the above, with the following two exceptions:

DOWELL SCHLUMBERGER INCORPORATED is fifty percent (50%) owned by Dow Chemical and is excluded from coverage.

AL MIYAH CHEMICALS LTD. is forty-nine percent (49%) owned by Dow Chemical and is included for coverage.

Brazil "limitada" companies (meaning limited partnership) shall be considered as meaning "corporations" as used in the Named Insured clause.

Mailing Address for all Insureds:

2030 Dow Center
Midland, MI 48674

POLICY PERIOD

This Policy applies to Bodily Injury, Property Damage or Personal Injury which occurs during the period from December 1, 1986 to December 1, 1987 at 12:01 A.M. Eastern Standard Time.

F191964



COVERAGE

Excess Liability for Bodily Injury, Property Damage and Personal Injury:

\$5,000,000 in Losses per Occurrence and
\$10,000,000 in the aggregate, inclusive of Claims Expenses, in excess of:

- A. Underlying Primary Insurance, or
- B. \$1,000,000 combined single limit for each and every Occurrence, exclusive of Claims Expenses, for losses not covered by Underlying Primary Insurance.

AGGREGATE LIMITS OF INSURANCE

The following aggregate limit, inclusive of Claims Expenses, apply for this Policy:

UNDER NO CIRCUMSTANCES WILL THE INSURER BE LIABLE FOR MORE THAN \$10,000,000 IN THE AGGREGATE, INCLUSIVE OF CLAIMS EXPENSES, BY REASON OF ISSUING THIS POLICY.

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UNDERLYING PRIMARY INSURANCE

A. The Dow Chemical Company and subsidiaries shall insure or retain the following primary coverages:

- 1. General Liability including Products Liability (other than U.S.A. Products Liability), Automobile Liability, Watercraft Liability (respects Barges, Scows, Lighters, Tugs, Launches and similar Watercraft) in rem, Airport Liability, Hangar Liability, Professional Liability, Malpractice Liability, Employee Benefits Liability, Blanket Contractual and Care, Custody and Control other than owned or transported:

\$5,000,000 combined single limit, exclusive of Claims Expenses, for each and every Occurrence.

- 2. U.S.A. Products Liability:

- a. \$500,000 combined single limit, inclusive of Claims Expenses, for each and every Occurrence and all Claims Expenses in excess of \$500,000 for each and every Occurrence.



- b. In excess of Subsection 2(a) above, \$4,500,000 combined single limit (inclusive of Claims Expenses not exceeding \$500,000 for each and every Occurrence) for each and every Occurrence up to an annual aggregate limit of \$20,000,000.
 3.
 - a. Employers Liability, Employers Liability Occupational Disease including Federal Longshoreman's and Harbor Workers Act and Jones Act:

\$5,000,000 Bodily Injury by Accident/Each Accident.

\$5,000,000 Bodily Injury by Disease/Each Employee.

\$5,000,000 Bodily Injury by Disease/Policy Limit.
 4. Aircraft Liability - Owned and Non-Owned:

\$200,000,000 combined single limit including admitted liability.
 5. Landing Dock Liability:

\$5,000,000 combined single limit for each and every Occurrence.
- B. The Dow Corning Corporation and subsidiaries shall insure or retain the following primary and underlying excess coverages:
 1.
 - a. General Liability including Automobile Liability, Products/Completed Operations Liability, Watercraft Liability and Malpractice Liability, Blanket Contractual Liability, Care, Custody and Control, Personal Injury Liability, Host Liquor Liability (separate U.S. and Canadian Policies) for domestic operations:

\$3,000,000 combined single limit exclusive of Claims Expenses for each and every Occurrence subject to separate annual aggregate limits where applicable.
 - b. In excess of Subsection 1(a) above:
General Liability including Products/Completed Operations Liability, Watercraft Liability and Malpractice Liability, Blanket Contractual Liability, Care, Custody and Control, Personal Injury Liability, Host Liquor Liability, but excluding Automobile Liability, for domestic

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operations:

\$2,000,000 combined single limit exclusive of Claims Expenses for each and every Occurrence subject to separate annual aggregate limits where applicable.

2. a. General Liability including Automobile Liability, Products/Completed Operations Liability, Watercraft Liability and Malpractice Liability, Blanket Contractual Liability, Care, Custody and Control, Personal Injury Liability, Host Liquor Liability for foreign operations:

\$1,000,000 combined single limit exclusive of Claims Expenses for each and every Occurrence subject to separate annual aggregate limits where applicable.

- b. In excess of Subsection 2(a) above:
General Liability including Products/Completed Operations Liability, Watercraft Liability and Malpractice Liability, Blanket Contractual Liability, Care, Custody and Control, Personal Injury Liability, Host Liquor Liability, but excluding Automobile Liability, for foreign operations:

\$4,000,000 combined single limit exclusive of Claims Expenses for each and every Occurrence subject to separate annual aggregate limits where applicable.

3. Employers Liability, Employers Liability Occupational Disease, including Federal Longshoreman's and Harbor Workers Act and Jones Act.

\$1,000,000 Bodily Injury by Accident/Each Accident.
\$1,000,000 Bodily Injury by Disease/Each Employee.
\$1,000,000 Bodily Injury by Disease/Policy Limit.

4. Aircraft Liability - Owned and Non-Owned:

\$50,000,000 combined single limit including admitted liability.

5. Landing Dock Liability:

\$5,000,000 combined single limit for each and every Occurrence.

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CLAIMS EXPENSES

With respect to any Occurrence covered by the terms and conditions of this Policy and subject to the Aggregate Limits of Insurance, inclusive of Claims Expenses, of this Policy the Insurer shall:

1. Pay that proportion of Claims Expenses incurred by the Named Insured that is the same proportion as the indemnity payments assigned to this excess layer are to the total indemnity payments, excluding U.S.A. Products/Completed Operations Liability; and
2. For U.S.A. Products/Completed Operations Liability and subject to a maximum amount of \$500,000 Claims Expenses per Occurrence assigned to the Underlying Primary Insurance and this policy layer, pay Claims Expenses which exceed the Underlying Primary Insurance per Occurrence and/or aggregate limits for U.S.A. Products/Completed Operations Liability.

COVERAGE TERRITORY

Worldwide.

PREMIUM

\$6,300,000 fully earned at the inception of the Policy.

ENDORSEMENTS ATTACHED AT INCEPTION

- No. 1 -- Nuclear Energy Liability Exclusion
- No. 2 -- Seepage, Pollution and Contamination Exclusion

ALL CLAIMS MUST BE REPORTED TO NATIONAL INDEMNITY COMPANY, 3024 HARNEY STREET, OMAHA, NEBRASKA, 68131



INSURING AGREEMENT

In consideration of the payment of the premium shown in the Declarations, National Indemnity Company (hereinafter referred to as Insurer) hereby agrees with the Named Insured, subject to the terms, conditions, limits, and exclusions of this Policy:

1. To indemnify the Insured for all sums which the Insured shall become legally obligated to pay as damages because of Bodily Injury, Property Damage or Personal Injury under the Coverage and caused by an Occurrence which took place during the Policy Period and within the Coverage Territory, Provided always that it is expressly agreed that liability shall attach to the Insurer only after the primary insurers have paid the full amount of their respective liability as shown in the Underlying Primary Insurance section of the Declarations; and the Insurer shall then be liable to indemnify Insured for only such additional amounts as will provide the Insured with excess coverage under the Policy limits shown in the COVERAGE and AGGREGATE LIMITS OF INSURANCE sections of the Declarations.

2. The Occurrence on which a Claim is based must have taken place in the Coverage Territory and during the Policy Period defined in the Declarations.

3. Defense and Settlement.

The Insurer shall have no obligation to investigate, to defend or to participate in the defense of any Suit against the Insured, Provided, however, the Insurer shall be kept informed about all Claims to which this insurance may apply, and may make such investigation and suggestions as it chooses. The Insurer shall not be obligated to pay any Claim, settlement or judgment after the Insurer's Aggregate Limits of Insurance have been exhausted by payment of Claims, settlements, judgments or Claims Expenses on behalf of any Named Insured or any person insured by this Policy.

EXCLUSIONS

Section 1. The coverage of this Policy shall not apply to, and Insurer shall not be liable to make any payment for, loss in connection with:

1. Any obligation of the Insured under any Workers Compensation, Disability Benefits, Unemployment Compensation or Employee Laws or any similar laws.

2. Any Bodily Injury or Personal Injury to any officer, director or employee of a Named Insured arising out of or in the course of his office or employment.

3. Any Bodily Injury, Personal Injury or Property Damage due to war (declared or undeclared), civil war, insurrection, invasion, rebellion, riot, revolution or armed hostilities, or to any act or condition incident thereto.



4. Any Property Damage to property or products owned by any Named Insured.

5. Any Property Damage to work performed by or for a Named Insured arising out of the work or portion thereof, or out of material, parts or equipment furnished in connection therewith.

6. Any Claims made against an Insured:

- (i) on account of Bodily Injury, Personal Injury or Property Damage resulting from the failure of the Insured's Products or Insured's Work completed by or for the Insured to perform the function or serve the purpose intended by the Insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specification, advertising material or printed instructions prepared or developed by the Insured; but this exclusion (i) does not apply to Bodily Injury, Personal Injury or Property Damage resulting from the active malfunctioning of such products or work;
- (ii) on account of Property Damage to the Insured's Products arising out of such products or any part of such products;
- (iii) on account of Property Damage to work performed by or on behalf of the Insured arising out of Insured's Work or any portion thereof, or out of the materials, parts or equipment furnished in connection therewith; or
- (iv) for the withdrawal, inspection, repair, replacement, recall or loss of use of the Insured's Products or Insured's Work completed by or for the Insured if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

7. Any Bodily Injury, Property Damage or Personal Injury intended from the standpoint of the Insured.

8. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability and/or Claims based upon the Employee Retirement Income Security Act of 1974, Public Law 93-406, commonly referred to as the Pension Report Act of 1974, and amendments thereof, or similar provisions of any federal, state or local statutory law or common law.

9. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability arising out of Aircraft Products. Aircraft Products means aircraft (including missiles or spacecraft and any ground

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support or control equipment used therewith), and any articles furnished by the Insured or their predecessors in business and installed in aircraft or used in connection with aircraft or for the manufacture thereof, including ground handling tools and equipment and also means training aids, instruction, manuals, blueprints, engineering or other data, and/or any article in respect of which engineering or other advice and/or services and/or labor have been given or supplied by the Insured or their predecessors in business relating to such aircraft or articles.

10. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability under U.S. Water Quality Improvement Act of 1970.

11. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages or cost of control of any oil/gas well and loss of hole and/or in hole equipment.

12. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability resulting from Marine Protection and Indemnity and Charterers Liability except as applied to barges, scows, lighters, tugs, launches and similar watercraft.

13. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability resulting from Diethylstilbestrol ("D.E.S.").

14. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability and/or Claims resulting from manufacture, use and/or distribution of Agent Orange and/or product known as "245T".

15. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability and/or Claims resulting from the administration and/or sale or consumption of MER 29 and Kevadon.

16. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability and/or Claims resulting from the manufacture and/or distribution of Swine Flu vaccine.

17. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability and/or Claims resulting from the manufacture, distribution and/or use of a product known as "SARABOND".

18. Any Bodily Injury, Property Damage or Personal Injury for which the Insured is obligated to pay damages by reason of liability and/or Claims resulting from the manufacture, distribution and/or use of a product known as "BENDECTIN".

19. Any loss or losses attaching to the Insured in any fiduciary capacity.

20. Any loss or depreciation of, damage to cash and/or securities and/or other personal property in the care, custody and control of the Insured.

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21. Any Claim made against the Insured based upon, or arising out of, or any way involving, any one or more of the following:

a. Any policy of insurance, reinsurance, or bond including annuities, endowments or pension contracts (hereinafter collectively referred to as "Insurance Policy") issued by the Insured.

b. Any insurance policy issued by any other entity or self-insured program, for which the Insured provides services of any kind or character.

c. The issuance of, or refusal to issue or renew, or cancellation of, any insurance policy by the Insured.

d. The issuance of, refusal to issue or renew, or cancellation of, any insurance policy issued by any other insurer or any evidence of insurance under any self-insured program, for which the Insured provides services of any kind or character whatsoever.

e. Any Claim under any insurance policy issued by the Insured, or any insurance policy issued by any other entity of any self-insured program, for which the Insured provides services of any kind or character whatsoever.

f. The handling by the Insured or any of its representatives or any Claim or obligation arising out of or under any insurance policy issued by the Insured or any insurance policy issued by any other entity or any self-insured program for which the Insured provides services of any kind or character whatsoever.

Section 2. Except insofar as coverage is available to the Insured under the Underlying Primary Insurance, the coverage of this Policy shall not apply to, and Insurer shall not be liable to make any payment for, Loss in connection with:

a. Medical malpractice liability;

b. Loss of and/or damage to leased premises;

c. Punitive and/or exemplary damages, except this Policy will not cover punitive and/or exemplary damages as may be absolutely excluded under any other provision of this Policy;

d. Underground property damage in respect of oil and/or gas exploration and/or drilling operations, except this Policy will not cover such damages as may be absolutely excluded under any other provision of this policy;

e. Explosions, blowouts, and/or cratering damages in respect of oil and/or gas exploration and/or drilling operations, except this Policy will not cover such damages as may be absolutely excluded under any other provision of this Policy;



PERSONS INSURED

1. Each of the organizations specified in the Declarations as a Named Insured is insured by this Policy.
2. Employees of each Named Insured are also covered but only for acts within the scope of their employment. None of these employees is insured for Bodily Injury or Personal Injury to a co-employee or for Property Damage to property owned or controlled by a co-employee.
3. The Insured's joint ventures and partnerships shall be additional Insureds under this Policy with respect to any Occurrence arising out of or in connection with such joint ventures or partnerships; Provided, However, that under no circumstances shall the Insurer be liable for a greater percentage of any loss arising from such an Occurrence than the percentage of the Insured's equity interest in the joint ventures or partnerships.
4. Any officer, director, stockholder, partner or employee of the Named Insured, while acting in his capacity as such, and any organization or proprietor with respect to real estate management for the Named Insured is insured by this Policy.
5. Any person, organization, trustee or estate to whom the Named Insured is obligated by virtue of a written contract or agreement to provide insurance such as is afforded by this Policy is insured by this Policy but only to the extent of such obligation and in respect of operations by or on behalf of the Named Insured or of facilities of the Named Insured or of facilities used by the Named Insured.

PER OCCURRENCE AND AGGREGATE LIMIT

Regardless of the number of: (1) Insureds under this Policy; (2) persons or organizations who sustain injury or damage; (3) Occurrences, Claims or Suits; the Insurer's total aggregate liability under this Policy shall not under any circumstances or for any reason exceed the Per Occurrence Limit of \$5,000,000 or the Aggregate Limit of \$10,000,000.

CONDITIONS

1. Duties in the Event of Occurrence, Claim or Suit:
 - a. Whenever the manager of liability and/or corporate legal counsel in the Corporate Insurance Department, located at the General Offices of Dow Chemical at Midland, Michigan 48460, has information from which the Insured may reasonably conclude that an Occurrence covered hereunder involves injuries or damages which, in the event that the Insured should be held liable therefore, would result in loss of \$1,000,000 or more or warrants



a reserve of \$1,000,000 or more, notice shall be sent to the Insurer as soon as practicable. Failure to give notice of any Occurrence which at the time of its happening did not appear reasonably likely to result in a loss of \$1,000,000 or more or to warrant a reserve of \$1,000,000 or more, but which at a later date would appear to give rise to such a loss or to warrant such a reserve, shall not prejudice such Claims if the Insured gives notice of such Occurrence to the Insurer promptly upon concluding that such a Loss is likely or such a reserve is warranted.

b. The Insured shall promptly notify the Insurer in writing of any Claim made or Suit brought against any Insured.

c. Each Insured shall immediately send to the Insurer copies of any demands, Claims, notices, summons, complaints or legal papers received in connection with a Claim or Suit.

d. Each Insured shall authorize the Insurer to obtain records, reports and other information and shall cooperate with the Insurer in the investigation, if any, the Insurer chooses to make in connection with any Claim or Suit.

e. Each Insured shall assist the Insurer in the enforcement of any right against a person who, or corporation or other organization which, may be liable to any Insured because of injury or damage to which this insurance may apply.

2. Other Insurance.

This insurance shall be in excess of the Underlying Primary Insurance and any other valid and collectible insurance available to the Insured whether the other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless the other insurance is written only as specific excess insurance over the limits of liability provided by this Policy.

3. Application of Salvages - Subrogation.

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this insurance shall be applied as if recovered or received prior to such settlement, and all necessary adjustments shall then be made between the Insured and the Insurer. Inasmuch as this Policy covers a specific layer of liability, the Insured's right of recovery against any person or other entity cannot always be exclusively subrogated to the Insurer. It is therefore understood and agreed that in case of any payment hereunder, the Insurer shall act in concert with all other interests (including the Insured) concerned, in the exercise of such rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any interests (including the Insured) that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them; the Insurer shall then be reimbursed out of any balance remaining up to the amount paid hereunder; lastly, the interests (including the Insured) of whom this coverage is

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excess are entitled to claim the residue, if any. Expense necessary to the recovery of any such amounts shall be apportioned between the interests (including Insured) concerned, in the ratio of their respective recoveries as finally settled.

4. No Waiver or Change.

Notice to or knowledge possessed by any person shall not effect a waiver or change in any part of this Policy or estop the Insurer from asserting any rights under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part hereof, signed by an authorized representative of the Insurer.

5. Inspection and Audit.

The Insurer shall be permitted but not obligated to inspect the Insured's property and operations at any time. Neither the Insurer's rights to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe. The Insurer may examine and audit the Insured's books and records at any time as far as they relate to the subject matter of this insurance.

6. Assignment.

An attempted assignment of interest by any Insured (whether voluntary or otherwise) under this Policy shall be void and of no effect unless the Insurer in its sole discretion consents thereto by written endorsement hereon; if, however, an Insured shall be adjudged bankrupt or insolvent, this Policy shall cover that Insured's legal representatives as insured.

7. Cancellation.

This Policy may not be cancelled by the Insurer. The Insurer shall have no obligation to renew or to reinstate this Policy.

The Insured may cancel this Policy at any time, but in no event shall such cancellation entitle the Insured to any refund of premium, which is fully earned by the Insurer at the inception of this Policy.

8. Action Against Insurer.

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, nor until the amount of the Insured's obligation to pay shall have been fully determined either by final judgments against the Insured after actual trial, or by written agreement of the Insured and the claimant, which agreement has been approved by the Insurer. Such approvals by Insurer will not be unreasonably withheld.

9. Changes in Insured Operations.

Premium adjustment may be required by the Insurer after the date of this Policy if the Insured acquires or creates any other entity or subsidiary whose total assets exceed one hundred million dollars (\$100,000,000) at the time of acquisition or

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creation. Coverage shall automatically extend to any Occurrence arising in connection with the new entity or subsidiary whose total assets exceed one hundred million dollars (\$100,000,000) upon the acquisition or creation thereof and premium adjustment shall be submitted to arbitration if not agreed to by the Insured and the Insurer.

10. Changes in Policy.

This Policy contains all the agreements between the Insurer and the Insured. Its terms can be changed only by endorsement executed by the Insurer with the consent of Dow Chemical, which is authorized by each other Insured to make changes.

11. Arbitration.

Any dispute arising under this Policy between the Insurer and an Insured shall be settled by binding arbitration in accordance with the rules of the American Arbitration Association.

12. Maintenance of Underlying Primary Insurance.

It is warranted by the Insured that the underlying coverage listed in the Underlying Primary Insurance section of the Declarations, or renewals or replacements thereof not more restricted, shall be maintained in force during the currency of this Policy, except for any reduction of the aggregate limits contained therein solely by payment of Claims in respect of Occurrences happening during this Policy Period. In the event of failure by the Insured to so maintain such policies in force or to meet all conditions and warranties subsequent to loss under such policies the insurance afforded by this Policy shall apply in the same manner it would have applied had such policies been so maintained in force. In the event there is no recovery available to the Insured as a result of the bankruptcy or insolvency of an underlying primary insurer, the coverage hereunder shall apply in excess of the applicable limit of liability specified in the COVERAGE and UNDERLYING PRIMARY INSURANCE sections of the Declarations.

13. Assignment of Occurrences to a Single Policy Period.

Each Occurrence must be assigned to a single Policy Period. Therefore this Policy will respond only to the following Occurrences:

- a. A single accident occurring within the Policy Period, or
- b. A continuous or repeated exposure to conditions provided the first incidence of exposure occurs during the Policy Period.

If the Insured and the Insurer fail to agree as to which Policy Period an Occurrence is assigned, the dispute shall be arbitrated.

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DEFINITIONS

1. Terms defined in the Declarations shall have the meanings there indicated.

2. Bodily Injury means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.

3. Claim means notice received by an Insured of an intention to hold an Insured responsible for an Occurrence for which coverage may be provided under this Policy and shall include service of suit or institution of arbitration proceedings against the Insured.

4. Claims Expenses shall mean all court costs, fees, and expenses; fees for service of process; fees to attorneys; costs of undercover operative and detective service; costs of employing experts for preparation of maps, photographs, diagrams, chemical or physical analysis or for advice, opinion or testimony concerning Claims under investigation; costs for legal transcripts or testimony taken at coroner's inquests, criminal or civil proceedings; costs for copies of any public records; costs of depositions and court reporter or recorded statements; and any expense reasonably chargeable to the investigation, settlement, or defense of a Claim or loss, or to the protection and perfection of the subrogation rights of a Named Insured. No portion of the employee costs or the general and administrative expenses of an Insured shall be included in Claims Expenses.

5. Insured means any Named Insured or other person covered by this Policy. All obligations of the Named Insured shall be joint and several.

6. Insured's Product means goods or products manufactured, sold or distributed by an Insured, including any container thereof (other than a vehicle); but Insured's Product shall not include vending machines or other properties rented to or located for the use of others but not sold.

Insured's Product includes warranties or representations made with respect to the fitness, quality, durability or performance of any such vehicle or part.

7. Insured's Work means:

a. Work or operations performed by an Insured or on its behalf.

b. Parts or equipment furnished by an Insured in connection with such work or operations.

Insured's Work includes warranties or representations made with respect to the fitness, quality, durability or performance of any such work, operations, part or equipment.

8. Occurrence means an accident, including a continuous or repeated exposure to substantially the same general harmful conditions. The first incidence of such a continuous or repeated exposure shall determine the date of Occurrence for purposes of this Policy.

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9. Policy means this agreement including the Declarations herein, any endorsements hereto from their respective effective dates, and the application attached hereto.

10. a. Products/Completed Operations Hazard includes all Bodily Injury and Property Damage occurring away from premises owned, rented, occupied or controlled by an Insured and arising out of Insured's Product or Insured's Work, except:

(i) products still in the physical possession of an Insured, or

(ii) work that has not yet been completed.

b. Insured's Work will be deemed completed at the earliest of the following times:

(i) When all of the work called for by the Insured's contract has been completed; or

(ii) When part of the work has been put to its intended use by a person other than an Insured or a person working on the same project. Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

c. This hazard does not include Bodily Injury or Property Damage arising out of:

(i) The transportation of property; or

(ii) The existence of tools, uninstalled equipment or abandoned or unused materials.

11. Property Damage means physical injury to tangible property, including resulting loss of use of that property.

12. Personal Injury means injury, other than Bodily Injury, arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. Wrongful entry into, or eviction of a person from, a room, dwelling or premises that a person occupies;

d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

e. Oral or written publication of material that violates a person's right of privacy.

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National Indemnity Company

Policy No. EL 50522

13. Suit means a civil proceeding in which damages to which this insurance applies are alleged, including an arbitration proceeding to which an Insured must submit or submits with the consent of the Insurer.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed and attested.

NATIONAL INDEMNITY COMPANY

By *Donald E. Whist*
Vice President

ATTEST:

Betty Peterson
Secretary

F191979



NAMED INSURED: THE DOW CHEMICAL COMPANY, et al.
EFFECTIVE DATE: December 1, 1986

ENDORSEMENT NO. 1

NUCLEAR ENERGY LIABILITY EXCLUSION

In consideration of the premium received, it is understood and agreed that the Policy is amended to exclude:

A. Injury, sickness, disease, death or destruction (i) with respect to which an Insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability-Property 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

(ii) resulting from the hazardous properties of Nuclear Material and with respect to which (1) any persons or organizations 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.

B. 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.

C. Injury, sickness, disease, death or destruction resulting from the hazardous properties of Nuclear Material, if

(i) 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;

(ii) 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

(iii) 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 (iii) applies only to injury to or destruction of property at such Nuclear Facility.

D. As used in this Endorsement:

(i) Hazardous properties include radioactive, toxic or explosive properties.

F191980



(ii) Nuclear material means Source Material, Special Nuclear Material or By-Product Material.

(iii) Source Material, Special Nuclear Material, and By-Product Material have the meanings given them by the Atomic Energy Act of 1954 or in any law amendatory thereof.

(iv) Spent Fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a Nuclear Reactor.

(v) Waste means any waste material (1) containing By-Product Material and (2) resulting from the operation by any person or organization of any Nuclear Facility included within the definition of Nuclear Facility under paragraph (i) or (ii) thereof.

(vi) Nuclear Facility means: (1) any Nuclear Reactor; (2) any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing spent fuel, or (c) handling processing or packaging waste; (3) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or Uranium 233 or any combination thereof, or more than 250 grams of Uranium 235; and (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

(vii) 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.

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

All other terms and conditions of the Policy remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be executed and attested.

NATIONAL INDEMNITY COMPANY

By Donald G. Hunt
Vice President

ATTEST:

Betty J. Peterson
Secretary



NAMED INSURED: THE DOW CHEMICAL COMPANY, et al.

EFFECTIVE DATE: December 1, 1986

ENDORSEMENT NO. 2

SEEPAGE, POLLUTION AND CONTAMINATION EXCLUSION

In consideration of the premium received, it is hereby understood and agreed that the coverage of this Policy shall not apply to, and Insurer shall not be liable to make any payment for, loss in connection with:

1. Personal Injury or Bodily Injury or loss of, or damage to or loss of use of property directly or indirectly caused by seepage and/or pollution and/or contamination of air, land, water and/or any other property, however caused and whenever occurring; or
2. Fines, penalties, punitive damages, exemplary damages, treble damages or any other damages resulting from the multiplication of compensatory damages.

The words "loss of, damage to or loss of use of property" as used in this exclusion include, but shall not be limited to:

- a. The cost of evaluating and/or monitoring and/or controlling and/or removing and/or nullifying and/or cleaning-up seeping and/or polluting and/or contaminating substances;
 - b. Loss of, damage to or loss of use of property directly or indirectly resulting from sub-surface operations of the Insured; and
 - c. Removal of, loss of or damage to sub-surface oil, gas or any other substance;
3. It is further understood and agreed that the exclusions from coverage provided in paragraph 1 of this Endorsement shall not apply to the liability of the Insured which would have been insured by the Policy had the said paragraphs 1 and 2 of this exclusion not been attached, resulting from seepage, pollution and contamination caused solely by:
 - a. unintended fire, lightning or explosion; or
 - b. a collision or overturning of a road vehicle.
 4. Notwithstanding the foregoing paragraph 3, it is understood and agreed that the exception to paragraph 1 of this Endorsement stated in paragraph 3 shall not apply to:

F191982



- a. Loss of, damage to or loss of use of property directly or indirectly resulting from sub-surface operations of the Insured, and/or removal of, loss of or damage to sub-surface oil, gas or any other substance;
- b. Any site or location used in whole or in part for the handling, processing, treatment, storage, disposal, or dumping of any waste materials or substances;
- c. The cost of evaluating and/or monitoring and/or controlling seeping and/or polluting and/or contaminating substances;
- d. The cost of removing and/or nullifying and/or cleaning-up seeping and/or polluting and/or contaminating substances on property at any time owned and/or leased by the Insured and/or under the control of the Insured.

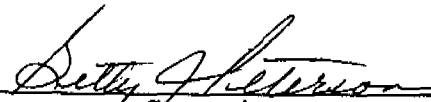
All other terms and conditions of the Policy remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be executed and attested.

NATIONAL INDEMNITY COMPANY

By 
Vice President

ATTEST:


Secretary

F191983

F191984

APPLICATION

DO 124048
CONFIDENTIAL

UMBRELLA POLICY APPLICATION

1. Full name of Applicant (include all companies to be insured):

THE DOW CHEMICAL COMPANY - REFER TO APPENDIX A

Notes: (a) Give details of any operations for which coverage is not required:

ALL OPERATIONS ARE TO BE COVERED

- (b) If the companies to be insured are not the Parent Company, please give name of the Parent Company.

NOT APPLICABLE

2. Address of:

(a) Home Office: 2030 WILLARD H. DOW CENTER
MIDLAND, MICHIGAN 48674

- (b) Main Locations of Operations

WORLDWIDE
(SEE ANNUAL REPORT & 10-K INCLUDED)

3. Estimate of: CALENDAR YEAR 1987

(a) Annual Payroll	\$1,812,400,000
(b) Annual Receipts or sales	
(1) Domestic-USA/Canada	\$ 6,366,996,000
(2) Foreign	\$ 5,646,204,000
Total	<u>\$12,013,200,000</u>
(c) Number of Employees	51,083 (27,833 in USA)

4. Description of all Operations

MULTI-NATIONAL CONCERN ENGAGED IN THE MANUFACTURE AND SALE OF CHEMICALS (45%), PLASTICS AND METALS (13%), SPECIALTY PRODUCTS (24%), AND AGRICULTURAL, HUMAN HEALTH, AND CONSUMER PRODUCTS (18%)

F191985

DO 124049
CONFIDENTIAL

5. Describe all the products manufactured, handled, distributed or sold under the following classifications:

<u>Classification</u>	<u>Description</u>	<u>Annual Sales</u>
a)	Aircraft and/or Aerospace Products or any material or substance supplied to or for use by the Aircraft and/or Aerospace Industry.	\$63,834,000* ('86 ESTIMATE - INCLUDED IN "ALL OTHER SALES" FIGURE APPENDIX B) *Note: Aircraft Products excluded under Umbrella Program
b.)	Pharmaceuticals, Chemicals Petrochemicals and Nuclear Energy	REFER TO APPENDIX B
c.)	Any Other Products.	REFER TO APPENDIX B

6. (a) State (i) Estimated Advertising Expenditure per annum

REFER TO APPENDIX C

- (ii) Advertising Media used and proportion of Expenditure on each

REFER TO APPENDIX C

- (b) Is Advertising Agency employed?..... If 'yes' state if Applicant is included as Additional Insured under Agency's primary policies or protected by Hold harmless agreement.

REFER TO APPENDIX C

7. State separately number and type of owned and leased automotive vehicles specifying:

- (a) Separately, number of Passenger Cars, Trucks and Tractor-Trailers.

	CARS	TRUCKS	TRAILERS	TOTAL
USA	2,215	1,671	164	4,050
CANADA	300	294	0	594
OTHER	3,225	353	19	3,597
TOTAL	5,740	2,318	183	8,241

- (b) Type of Cargo hauled with full details where inflammable and/or explosive substances are involved.

MAJORITY OF DOW CARGO, INCLUDING HAZARDOUS SUBSTANCES
IS TRANSPORTED BY COMMON CARRIER

- (c) Details of long haul (over 50 miles) operations.

MAJORITY PERFORMED BY COMMON CARRIER

8. State separately

- (a) Number of owned and leased aircraft with individual description of each unit.

REFER TO APPENDIX D - PAGE 1

- (b) Give details of any facilities maintained for the purposes of servicing, repairing or refuelling aircraft and state whether these facilities would be made available for operations on aircraft of others.

REFER TO APPENDIX D - PAGE 2

9. State number and type of watercraft, specifying:

- (a) If owned, leased or chartered

	<u>BARGES</u>	<u>TOWBOATS</u>
OWNED/LEASED	98	3
CHARTERED	2	10

- (b) Passenger and/or larger capacity

NOT APPLICABLE

- (c) Type of cargo

BULK, SOLID AND LIQUID CHEMICAL PRODUCTS AND RAW
MATERIALS

- (d) Navigational Limits

WORLDWIDE - MAJORITY OF BARGE TRAFFIC IS VIA COSTAL AND
INLAND WATERWAYS

- (e) Type of Charter

VARIOUS

F191987

10. Give details of any docks, ports, wharves or quay facilities.

REFER TO APPENDIX E

11. Give details of any railroad facilities.

DOW HAS 12,240 RAILCARS AND 59 POWER UNITS. OF THE POWER UNITS, 12 ARE LOCOMOTIVES. ALL EXCEPT 4 OF THE POWER UNITS NORMALLY OPERATE ON DOW PREMISES. THOSE EXCEPTED OPERATE OFF DOW PREMISES WHEN MAKING TRIPS BETWEEN DOW PLANTS IN TEXAS.

12. State details of operations carried out away from owned or leased premises (construction or installation work, etc.) specifying:

- (a) amount of work sub-contracted and details of insurance carried by sub-contractor

DOW HAS TWO ENGINEERING COMPANIES INCORPORATED IN THE USA AND ONE IN EUROPE FOR BOTH THIRD PARTY AND DOW'S OWN USE. OCCASIONALLY, THE ENGINEERING COMPANY WILL SERVE AS GENERAL CONTACTOR ON A PROJECT. USUALLY THE CONSTRUCTION WORK IS SUB-CONTRACTED, WITH EITHER THE SUB-CONTRACTOR(S) OR PROJECT OWNERS(S) PROVIDING THE INSURANCE. DOW IS USUALLY RESPONSIBLE FOR THE ENGINEERING WORK.

- (b) nature of projects and/or contracts involved.

INDUSTRIAL, MAINLY CHEMICAL PLANTS

13. State details including separate values and Fire/Extended Coverage rates of:

- (a) Leased Premises with values in excess of \$2,000,000 where Applicant is not held harmless or named as additional Insured in premises owner's Fire/Extended Coverage Policy

WE ANSWER "NONE" TO THE QUESTION OF WHETHER WE HAVE LEASED PREMISES OR PROPERTY IN OUR CARE, CUSTODY OR CONTROL WITH VALUE IN EXCESS OF \$2,000,000 AND HAVE THE OBLIGATION TO CARRY FIRE AND EXTENDED COVERAGE BUT DO NOT. THIS RESPONSE IS CONSISTENT WITH THAT GIVEN IN PREVIOUS YEARS.

- (b) Any other property of others in the Applicant's Care, Custody or Control where values are likely to exceed \$2,000,000 at any time.

NONE WHICH ARE NOT COVERED BY PROPERTY, OR PRIMARY LIABILITY INSURANCE.

F191988

14. State details of written contractual agreements other than liability assumed under any lease of premises, easement agreement, agreement required by municipal ordinance, side-track agreements and elevator escalator maintenance agreement.

NORMAL TO BUSINESS

15. Has the Applicant any exposure under the following legislation? YES... If 'Yes' specify which and give separate payrolls.

- (a) Jones Act or Admiralty Jurisdiction NO
- (b) Federal Railroad Employers Act NO
- (c) Federal Longshoreman's and Harbour Workers Act \$1,190,979

16. Describe any malpractice exposures, together with:

- (a) Number of Doctors employed FULL TIME 32
CONTR/P.T. 72
- (b) Number of Nurses employed FULL TIME 75
CONTR/P.T. 40

- (c) Facilities maintained

FACILITIES ARE MAINTAINED FOR EMPLOYEES EMERGENCY AND HEALTH MAINTENANCE PURPOSES AT ALL MAJOR DOW LOCATIONS. EMERGENCY FIRST-AID MAY BE PROVIDED TO NON-DOW PERSONNEL.

- (d) Any malpractice exposures other than medical

DOW HAS EXPOSURES THAT ARE NORMAL FOR AN INTERNATIONAL INDUSTRIAL CORPORATION.

17. Give details of any exposure under any liquor law.

DOW HAS EXPOSURES THAT ARE NORMAL FOR AN INTERNATIONAL INDUSTRIAL CORPORATION.

18. (a) Give details of any insurance the Applicant intends to purchase as respects the Underlying Amounts and details of any insurance that may be in force that would act in the same manner.

REFER TO APPENDIX F

- (b) Give details of any non-standard exclusion contained therein.

EXCLUSIONS CONTAINED IN THE INSURANCE LISTED ARE CONSIDERED TO BE STANDARD

F191989

DO 124053
CONFIDENTIAL

19. State loss record during the past ten years specifying:-

- (a) Full details of all claims inclusive of expenses (whether insured or not) in excess of \$500,000 (enter full amount for first dollar for each case).

REFER TO APPENDIX G-I, G-II AND G-III FOR LOSS EXHIBITS.

- (b) The organisation who has evaluated any outstanding amounts and the date of the said evaluation.

LOSSES UNDER INSURED PROGRAMS ARE EVALUATED BY
INSURANCE CARRIERS.

LOSSES UNDER NON-INSURED OR DOW SUBSIDIARY INSURED
PROGRAMS ARE EVALUATED BY DOW.

IN ADDITION, SPECIFIC LOSSES, AND UNDERLYING AGGREGATE
PENETRATIONS ARE EVALUATED BY LORD, BISSELL & BROOK
AND/OR PETERSON, ROSS, ETAL AS REQUIRED BY LLOYD'S OR
LONDON UNDERWRITERS.

20. Has the Applicant ever handled his own losses in any self-insured areas and if so give details of such loss handling.

REFER TO APPENDIX H

Date..November.6,..1986..

F191990

APPENDIX A

THE DOW CHEMICAL COMPANY

1. THE DOW CHEMICAL COMPANY AND DOW CORNING CORPORATION, and any domestic corporation or company in which either or both owns or may own directly or indirectly 50 percent or more of the combined voting power, and any foreign corporation or company in which either or both owns or may own directly or indirectly more than 50% of the combined voting power. Subsidiary companies and corporations, owned by subsidiary companies and corporations of the named insured shall be included as insureds if the percentage of ownership is in accordance with the above.

It is agreed with underwriters that Brazil "limitada" companies (meaning limited partnership) shall be considered as meaning "corporation" as used in named insured clause.

DOWELL SCHLUMBERGER INCORPORATED IS 50% OWNED BY DOW AND SHOULD BE EXCLUDED FROM COVERAGE.

AL MIYAH CHEMICALS (LTD.) IS 49% OWNED BY DOW AND SHOULD BE INCLUDED FOR COVERAGE.

F191991

DO 124055
CONFIDENTIAL

THE DOW CHEMICAL COMPANY

5. SALES	1983	1984	1985 Actual	1986 Estimate	1987 Estimate
PILL	NONE	NONE	NONE	NONE	NONE
USA/CANADA DRUGS					
Over-the-Counter	\$47,500,000	\$42,383,000	\$40,766,000	\$48,512,000	\$52,000,000
Ethical	\$167,200,000	\$214,556,000	\$273,862,000	\$336,776,000	\$404,000,000
Total	\$214,700,000	\$256,939,000	\$314,628,000	\$385,288,000	\$456,000,000
FOREIGN DRUGS					
Over-the-Counter	\$18,400,000	\$29,832,000	\$29,816,000	\$35,154,000	\$38,000,000
Ethical	\$377,800,000	\$362,669,000	\$305,260,000	\$414,720,000	\$456,000,000
Total	\$396,200,000	\$392,501,000	\$335,076,000	\$449,874,000	\$494,000,000
ALL OTHER SALES	\$10,340,161,000	\$10,768,560,000	\$10,887,296,000	\$10,660,838,000	\$11,063,200,000
TOTAL SALES	\$10,951,061,000	\$11,418,000,000	\$11,537,000,000	\$11,496,000,000	\$12,013,200,000
PAYROLL	\$1,627,000,000	\$1,548,000,000	\$1,663,000,000	\$1,747,800,000	\$1,812,400,000

F191992

APPENDIX C

THE DOW CHEMICAL COMPANY

6. (a) Advertising expenses for The Dow Chemical Company for 1985 were \$193,203,000. U.S. expenses were \$152,938,000 and all other \$40,265,000.

The percentages by media in the USA:

Magazine	19%
Television	61%
Newspaper	1%
Radio	1%
Other	18%
	100%

Dow states foreign percentages would vary somewhat because of lower television expenditures.

6. (b) Dow does business through its various product departments with over twenty-five different advertising agencies.

No standard contract wording is applicable, but normally Dow would neither be an additional insured, nor held harmless under the terms of the contracts.

F191993

DO 124056
CONFIDENTIAL

F191994

THE DOW CHEMICAL COMPANY

8. (a)	<u>AIRCRAFT</u>	<u>I.D. NO.</u>	<u>SEATING CAPACITY</u>
	1981 Falcon 50	N52DC	10 + 2 Crew
	1976 Falcon 10	N682D	6 + 2 Crew
	1969 Falcon 20	N33L	10 + 2 Crew
	1968 Falcon 20	N33D	10 + 2 Crew
	1979 Beech King Air 200	N662L	7 + 2 Crew
	1979 Beech King Air 200	N2066T	8 + 2 Crew
	1977 Beech King Air 200	N18345	8 + 2 Crew
	1978 Beech King Air 200	N2044D	8 + 2 Crew
	1982 Cessna Skywagon	N9471N	3 + 1 Crew
	1974 Gates Learjet 25B	N55V	9 + 2 Crew
	1968 Bell Jet Ranger (Leased)	N4068G	4 + 1 Crew
	1976 Cessna Citation	CGDWS	6 + 2 Crew
	1979 Beech King Air 200	CFDLO	7 + 2 Crew
	1982 Falcon 100	N662D	6 + 2 Crew

THE DOW CHEMICAL COMPANY

8. (b) MIDLAND:

- 1 - HANGAR WITH A CAPACITY OF 6 PLANES (5 Dow owned or leased planes are hangared - occasionally non-Dow visitor aircraft are hangared)

TOTAL MAXIMUM EXPOSURE: \$25,500,000 (\$17 Million Dow Planes)

NO TIE DOWNS

TEXAS:

- 1 - HANGAR WITH 6 COMPANY PLANES (all of which are Dow owned or leased - occasionally non-Dow visitor aircraft are Hangared).

TOTAL MAXIMUM EXPOSURE: \$9,905,000 (Dow Planes)

NO TIE DOWNS

SARNIA:

- 1 - HANGAR WITH A CAPACITY OF 3 PLANES (2 of which are Dow owned or leased - occasionally non-Dow visitor aircraft are Hangared).

TOTAL MAXIMUM EXPOSURE: \$3,000,000 (Canadian)(Dow Planes)

NO TIE DOWNS

THE ABOVE FACILITIES ARE MAINTAINED FOR THE PURPOSE OF SERVICING, REPAIRING, AND REFUELING DOW AIRCRAFT.

UNDER EXTENUATING CIRCUMSTANCES THE DOW FACILITIES AT TEXAS AND SARNIA COULD BE MADE AVAILABLE TO AIRCRAFT OF OTHERS FOR HANGARING. THE MIDLAND FACILITY HAS ONE AVAILABLE SPACE FOR AIRCRAFT OF OTHERS.

F191995

THE DOW CHEMICAL COMPANY

MARINE TERMINALS

10. U.S. AREA

(2) Pine Bluff, AR		Service Agreement
Long Beach, CA	50/50 JV*, Dow Operated	
Pittsburg, CA	Dow Operated	
San Pedro, CA		Service Agreement
Torrance, CA		Service Agreement
Pensacola, FL		Service Agreement
Tampa, FL		Service Agreement
Savannah, GA		Service Agreement
Channahon, IL	50/50 JV*, Dow Operated	
(2) Chicago, IL		Service Agreement
(2) Granite City, IL		Service Agreement
Sunshine, LA		Service Agreement
(2) Bay City, MI	1-Dow Owned; 1-Dow Operated	
Rosemont, MN		Service Agreement
St. Louis, MO		Service Agreement
Bayonne, NJ	50/50 JV*, Not Dow Operated	
Catoosa, OK		Service Agreement
McKees Rock, PA		Service Agreement
(2) Deer Park, TX		Service Agreement
Freeport, TX	Dow Operated	
Galena, TX		Service Agreement
Seabrook, TX		Service Agreement
Vancouver, WA		Service Agreement
Sheboygan, WI		Service Agreement

F191996

*JV - Joint Venture

CANADIAN AREA

North Vancouver, British Columbia	Dow Owned	
St. Johns, New Brunswick		Service Agreement
Botwood, Newfoundland	Dow Owned*	
Cornwall, Ontario		Service Agreement
Marathon, Ontario	Dow Owned*	
Sarnia, Ontario	Dow Owned	
Thunder Bay, Ontario	Dow Owned	
Bai Comeau, Quebec	Dow Owned*	
Quebec City, Quebec		Service Agreement
Three Rivers, Quebec	Dow Owned*	Service Agreement

* Dow owned, operated by contractor

THE DOW CHEMICAL COMPANY

MARINE TERMINALS

EUROPEAN

Durban, South Africa		Service Agreement
Mombasa, Mid East Africa		Service Agreement
Antwerp, Belgium		Service Agreement
Ghent, Belgium		Service Agreement
Helsinki, Finland		Service Agreement
Blaye, France		Service Agreement
Dunkerque, France		Service Agreement
LeHarve, France		Service Agreement
Rouen, France		Service Agreement
Stade, Germany (Plant)	Dow Owned	
Barry, Great Britain		Service Agreement
Dagenham, Great Britain		Service Agreement
Grangemouth, Great Britain		Service Agreement
Grays, Great Britain		Service Agreement
Immingham, Great Britain		Service Agreement
Lerwick, Great Britain		Service Agreement
Purfleet, Great Britain		Service Agreement
Seal Sands, Great Britain		Service Agreement
Teeside, Great Britain		Service Agreement
Avlis, Greece		Service Agreement
Lavrion, Greece	Dow Owned	
Botlek, Holland	Dow Owned	
Flushing, Holland	Dow Owned (45%)	
NWE Matex, Rotterdam, Holland		Service Agreement
Panoecean, Rotterdam, Holland		Service Agreement
Terneuzen, Holland (Plant)	Dow Owned	
Genoa, Italy		Service Agreement
Livorno, Italy		Service Agreement
Barcelona, Spain		Service Agreement
Bilbao, Spain		Service Agreement
Tarragona, Spain (Plant)	Dow Owned	
Gothenburg, Sweden		Service Agreement
Gebze, Turkey		Service Agreement
Sharjah, United Arab Emirates	Dow Owned	

BRAZILIAN AREA

Aratu, Brazil	Dow Owned	
Guaruja, Brazil	Dow Owned	
Itajai, Brazil	Dow Owned	
Caju, Rio de Janeiro		Service Agreement

F191997

THE DOW CHEMICAL COMPANY

MARINE TERMINALS

LATIN AMERICAN AREA

Buenos Aires, Argentina		Service Agreement
LaPlata, Argentina	Dow Owned	
San Antonio, Chile	Dow Owned	Service Agreement
Cartegena, Columbia	Dow Owned	
Tuxpan, Mexico	Dow Owned	
Puerto Rico, Guayanilla		Service Agreement
Pt. Cabello, Venezuela		Service Agreement

PACIFIC AREA

Melbourne, Australia		Service Agreement
Sidney, Australia		Service Agreement
Hong Kong	Dow Owned	
Ichikawa, Japan		Service Agreement
Kawasaki, Japan		Service Agreement
Osaka, Japan		Service Agreement
Tokyo, Japan		Service Agreement
Yokohama, Japan		Service Agreement
Auckland, New Zealand		Service Agreement
Wellington, New Zealand		Service Agreement
Singapore		Service Agreement **
Singapore		Service Agreement
Bangkok, Thailand	Dow Owned	
Kinu Ura	Dow Owned	

**Own tanks, lease land

DO 124061
CONFIDENTIAL

F191998

THE DOW CHEMICAL COMPANY

SCHEDULE OF UNDERLYING INSURANCES

- 18.(a) 1. General Liability including Products Liability (other than U.S.A. Products Liability), Automobile Liability, Watercraft Liability (respects Barges, Scows, Lighters, Tugs, Launches and similar watercraft) in Rem, Airport Liability, Hangar Liability, Professional Liability, Malpractice Liability, Employee Benefits Liability, Blanket Contractual and Care, Custody and Control other than owned or transported.

Carrier

\$5,000,000 C.S.L. B.I. and/or P.D. Aetna C&S (Domestic)
Per Occurrence/No Aggregate and Self-Insured
Insurance Company of
the State of
Pennsylvania
(International) and
Self-Insured

2. Products Liability respects U.S.A.

\$5,000,000 C.S.L. B.I. and/or P.D. Dorinco or
Per Occurrence (Including Allocated Self-Insurance
Expenses not exceeding \$500,000 any
one occurrence)

\$20,000,000 C.S.L. B.I. and/or P.D.
Annual Aggregate (Including Allocated
Expenses not exceeding
\$500,000 any one occurrence)

ONLY AMOUNTS (INCLUDING ALLOCATED EXPENSES)
EXCESS OF \$500,000 each occurrence (including Allocated
Expenses) shall go to erode the Annual Aggregate.

In the event the \$20,000,000 Aggregate is
exhausted, Umbrella to be excess of \$500,000
each occurrence (including Allocated Expenses not
exceeding \$500,000 any one occurrence.)

3. Employers Liability, Employers Liability Occupational
Disease, including Federal Longshoreman Act & Jones Act.

\$5,000,000 Bodily Injury by Accident/Each Accident	Standard Fire Insurance Company
\$5,000,000 Bodily Injury by Disease/Each Employee	Aetna C&S
\$5,000,000 Bodily Injury by Disease/Policy Limit	Texas Employers Insurance Association

4. Aircraft Liability

\$200,000,000 Each Occurrence

U.S.A.I.G.

DO 124062
CONFIDENTIAL

THE DOW CHEMICAL COMPANY
 UNDERLYING AGGREGATE IMPAIRMENT, U.S. PRODUCT LOSSES
 AS IF

CALENDAR YEAR	AGGREGATE IMPAIRMENT			LIMIT REMAINING
	PAID	OPEN	TOTAL	
76	0	0	0	20,000,000
77	198,214	0	198,214	19,801,786
78	2,840,823	0	2,840,283	17,159,177
79	759,372	0	759,372	19,240,628
80	1,617,497	0	1,617,497	18,382,503
81	279,848	0	279,848	19,720,152
82	323,404	1,699,369	2,022,773	17,977,227
83	0	1,170,000	1,170,000	18,830,000
84	0	400,000	400,000	19,600,000
85	339,605	2,968,500	3,308,105	16,691,895
86	0	60,000	60,000	19,940,000

F192000

This exhibit is based on an underlying limit of \$20,000,000 for each period shown.

Total loss limited to \$5,000,000 subject to retention of \$500,000 each loss including allocated expenses. Allocated expenses are limited to \$500,000 each loss.

Amounts shown do not include Bendectin or Sarabond losses which are excluded products under the current program.

Valuation Date: September 24, 1986

DO 124063
 CONFIDENTIAL

THE DOW CHEMICAL COMPANY
MAJOR LOSSES EXCESS OF \$500,000 FROM FIRST DOLLAR
(EXCLUDING U.S. PRODUCTS)
VALUATION DATES: JUNE 30, 1986, JULY 1, 1986 AND SEPTEMBER 10, 1986*

DATE OF OCCURRENCE	COMPANIES	STATUS	NARRATIVE
** 1/77	Aetna	(BI) \$ 1,000,000 Paid Loss 160,007 Paid Expense \$ 1,160,007 CLOSED	OTHER LIABILITY Curlender - lab analysis
** 1/78	Aetna	(BI) \$ 350,000 Paid Loss 153,361 Paid Expense \$ 503,361 CLOSED	OTHER LIABILITY Liston, Jamie L. - Alleged untimely lab report
6/78	Aetna	(BI) \$ 450,000 Paid Loss 73,846 Paid Expense \$ 523,846 CLOSED	OTHER LIABILITY Brown, J.M. - Suit alleges unsafe place to work
7/78	Aetna	\$ 970,000 Paid Loss 15,747 Paid Expense \$ 985,747 CLOSED	OTHER LIABILITY Lykes Brothers - improper loading and packing of chemicals
** 8/78	Aetna	(BI) \$ 528,262 Paid Loss (PD) 10,737 Paid Loss 21,780 Paid Expense \$ 560,779 CLOSED	AUTOMOBILE LIABILITY Harville, C. - accident while turning

* Valuation Dates: 7-01-86 FFA
6-30-86 Aetna
9-10-86 Texas Employers

** Losses incurred by divisions divested by Dow.

DO 124064
CONFIDENTIAL

F192001

THE DOW CHEMICAL COMPANY
MAJOR LOSSES EXCESS OF \$500,000 FROM FIRST DOLLAR
(EXCLUDING U.S. PRODUCTS)
VALUATION DATES: JUNE 30, 1986, JULY 1, 1986 AND SEPTEMBER 10, 1986*

DATE OF OCCURRENCE	COMPANIES	STATUS	NARRATIVE
9/78	Aetna	(BI) \$ 1,640,405 Paid Loss 221,274 Paid Expense \$ 1,861,679 CLOSED	OTHER LIABILITY Bell, R.M. - premises injury
5/79	Aetna	(BI) \$ 4,675,437 Paid Loss (PD) 57,313 Paid Loss 465,596 Paid Expense (PD) 687 Open Loss 25,596 Open Expense (438) S/S \$ 5,224,191 OPEN	OTHER LIABILITY Pittsburg, CA - Mixing tank exploded - two killed
11/79	Aetna	(PD) \$ 564,000 Open Loss 300,000 Open Expense \$ 864,000 OPEN	PRODUCT - CHLORINE Canada - Mississauga Train Derailment
10/81	Texas Employers	(EL) \$ 2,100,000 Open Loss \$ 2,100,000 OPEN	EMPLOYERS LIABILITY Jones, etal - Polyethylene Explosion
**11/81	Self- Insured	(PD) \$ 550,000 Paid Loss 20,846 Paid Expense \$ 570,846 CLOSED	OTHER LIABILITY Hiawatha Oil Co., Inc. - well damage
** 3/81	Aetna	(BI) \$ 1,895,003 Paid Loss (PD) 10,368 Paid Loss 23,863 Paid Expense (1059) S/S \$ 1,928,175 CLOSED	AUTOMOBILE LIABILITY Rose - lost control, struck claimant and claimant's vehicle

* Valuation Dates: 7-01-86 FFA
6-30-86 Aetna
9-10-86 Texas Employers

** Losses incurred by divisions divested by Dow.

DO 124065
CONFIDENTIAL

F192002

THE DOW CHEMICAL COMPANY
MAJOR LOSSES EXCESS OF \$500,000 FROM FIRST DOLLAR
(EXCLUDING U.S. PRODUCTS)
VALUATION DATES: JUNE 30, 1986, JULY 1, 1986 AND SEPTEMBER 10, 1986*

F192003

DATE OF OCCURRENCE	COMPANIES	STATUS	NARRATIVE
**12/81	Aetna	(BI) \$ 599,999 Paid Loss 44,998 Paid Loss \$ 644,997 CLOSED	OTHER LIABILITY Sara Brinkley - Medical Malpractice
** 6/82	Aetna	(BI) \$ 705,350 Paid Loss 40,620 Paid Expense \$ 745,970 CLOSED	AUTOMOBILE LIABILITY J. Jones - turning; Claimant passing in no passing zone
9/82	Aetna	(BI) \$ 798,751 Paid Loss \$ 798,751 CLOSED	AUTOMOBILE LIABILITY J. & M. Johnson passing hit motorcycle
** 3/83	Aetna	(PD) \$ 800,000 Paid Loss 34,971 Paid Expense \$ 834,971 CLOSED	OTHER LIABILITY Hughes & Hughes - well damage
** 9/83	Aetna	(PD) \$ 705,401 Paid Expense 3,000,000 Open Loss 294,599 Open Expense \$ 4,000,000 OPEN	OTHER LIABILITY OJB, Inc. - well damage
** 2/84	Aetna	(PD) \$11,500,000 Paid Loss 416,302 Paid Expense \$11,916,302 CLOSED	OTHER LIABILITY Challenger Ltd. - well damage
** 1/84	Aetna	(PD) \$ 1,500,000 Paid Loss \$ 1,500,000 CLOSED	OTHER LIABILITY Exxon - well damage

* Valuation Dates: 7-01-86 FFA
6-30-86 Aetna
9-10-86 Texas Employers

** Losses incurred by divisions divested by Dow.

DO 124066
CONFIDENTIAL

THE DOW CHEMICAL COMPANY
U.S. PRODUCTS LOSSES EXCESS OF \$500,000 FROM FIRST DOLLAR
(EXCLUDING BENDECTIN AND SARABOND)
VALUATION DATE: September 24, 1986

<u>DATE OF OCCURRENCE</u>	<u>COMPANIES</u>	<u>STATUS</u>	<u>PRODUCT/CLAIMANT</u>
5/77	Dorinco	(BI) \$ 652,951 Paid Expense 50,000 Open Loss \$ 702,951 OPEN	2, 4, 5-T Grenier
6/77	Dorinco	(PD) \$ 230,000 Paid Loss 304,372 Paid Expense \$ 534,372 CLOSED	STYROFOAM SM Mountain Pride Farms
6/77	Dorinco	(BI) \$ 750,000 Paid Loss 31,250 Paid Expense \$ 781,250 CLOSED	FUMAZONE Castro, C.
7/77	Dorinco	(BI) \$ 1,300,000 Paid Loss 31,250 Paid Expense \$ 1,331,250 CLOSED	FUMAZONE Perez, R.
8/77	Dorinco	(BI) \$ 637,214 Paid Loss 31,250 Paid Expense \$ 668,464 CLOSED	FUMAZONE Sarras, S.
10/77	Dorinco	(PD) \$ 725,000 Paid Loss 524,850 Paid Expense \$ 1,249,850 CLOSED	STYROFOAM Holly Creek Fryers
10/77	Dorinco	(BI) \$ 498,500 Paid Loss 31,250 Paid Expense \$ 529,750 CLOSED	FUMAZONE Jones, Deborah
*12/77	Aetna	(BI) \$ 1,900 Paid Expense 750,000 Open Loss 98,100 Open Expense \$ 850,000 OPEN	DPT VACCINE Harwig, A.
6/78	Dorinco	(PD) \$ 1,325,000 Paid Loss 836,919 Paid Expense \$ 2,161,919 CLOSED	DERASPAN Stouffer Foods

*Richardson-Merrell Claim

F192004

F192005

THE DOW CHEMICAL COMPANY
OCCURRENCE EXHIBIT
U.S. PRODUCTS LOSSES EXCESS OF \$500,000 FROM FIRST DOLLAR
VALUATION DATE: September 24, 1986

<u>DATE OF OCCURRENCE</u>	<u>COMPANIES</u>	<u>STATUS</u>	<u>PRODUCT/CLAIMANT</u>
9/78	Dorinco	(BI) \$ 750,000 Paid Loss 153,323 Paid Expense \$ 903,323 CLOSED	STYROFOAM Boyer, Robert Etal
*1/79	Self-Insured	(BI) \$ 500,000 Open Loss 60,000 Open Expense \$ 560,000 OPEN	CLOMID Love
*1/79	Self-Insured	(BI) \$ 1,000,000 Open Loss 50,000 Open Expense \$ 1,050,000 OPEN	CLOMID Williams, Ryan W.
*1/79	Self-Insured	(BI) \$ 1,000,000 Open Loss 50,000 Open Expense \$ 1,050,000 OPEN	CLOMID Williams, Devin W.
2/80	Dorinco	(PD) \$ 650,000 Paid Loss 112 Paid Expense \$ 650,112 CLOSED	SARAN CEMENT ADDITIVE 77 Blakeslee Prestress
3/80	Dorinco	(PD) \$ 902,070 Paid Loss 30,254 Paid Expense \$ 932,324 CLOSED	DURSBAN 44 Eastern Breeders Co.
7/80	Dorinco	(PD) \$ 1,531,064 Paid Loss 154,109 Paid Expense \$ 1,685,173 CLOSED	DURSBAN 44 Coale & McCarty
8/80	Dorinco	(PD) \$ 694,502 Paid Loss \$ 694,502 CLOSED	VORACEL C Manufacturer's Life
3/81	Dorinco	(PD) \$ 87,079 Paid Expense 1,250,000 Open Loss 137,921 Open Expense \$ 1,475,000 OPEN	DER 330 Plasta - F
4/81	Dorinco	(BI) \$ 507,471 Paid Expense 70,000 Open Loss \$ 577,471 OPEN	TORDON 10K, SALT Viterbo
4/81	Dorinco	(BI) \$ 488,271 Paid Loss 140,631 Paid Expense 450,000 Open Loss 49,369 Open Expense \$ 1,128,271 OPEN	CAUSTIC SODA Lunsford

*Richardson-Merrell Claim

DO 124068
CONFIDENTIAL

THE DOW CHEMICAL COMPANY
OCCURRENCE EXHIBIT
U.S. PRODUCTS LOSSES EXCESS OF \$500,000 FROM FIRST DOLLAR
VALUATION DATE: September 24, 1986

<u>DATE OF OCCURRENCE</u>	<u>COMPANIES</u>	<u>STATUS</u>	<u>PRODUCT/CLAIMANT</u>
7/81	Dorinco	(PD) \$ 750,000 Paid Loss 29,848 Paid Expense \$ 779,848 CLOSED	VORACEL C Trend Carpet Mills
10/81	Dorinco	(BI) \$ 474,040 Paid Expense 50,000 Open Loss 25,960 Open Expense \$ 550,000 OPEN	CHLOROTHENE NV Hesslink
12/81	Dorinco	(PD) \$ 43,432 Paid Expense 500,000 Open Loss 31,568 Open Expense \$ 575,000 OPEN	STYROFOAM RTM Development
2/82	Dorinco	(BI) \$ 13,015 Paid Expense 500,000 Open Loss 36,985 Open Expense \$ 550,000 OPEN	CLOMID Altman, Kara
2/82	Dorinco	(BI) \$ 429,748 Paid Expense 1,200,000 Open Loss 120,252 Open Expense \$ 1,750,000 OPEN	PELAMAG Rogers, Etal
9/82	Dorinco	(PD) \$ 71,249 Paid Expense 2,000,000 Open Loss 228,751 Open Expense \$ 2,300,000 OPEN	THURANE Simplot
11/83	Dorinco	(PD) \$ 12,000 Paid Loss (BI) 612,562 Paid Loss 64,931 Paid Expense \$ 689,493 CLOSED	STRYOFOAM BB Mann, Etal
1/85	Dorinco	\$ 4,822 Paid Expense 500,000 Open Loss 13,678 Open Expense \$ 518,500 OPEN	LORSBAN 4 Wiggin, Etal

F192006

DO 124069
CONFIDENTIAL

THE DOW CHEMICAL COMPANY

LITIGATION SECTION

20. The Litigation Section of Dow's Legal Department is staffed by 8 attorneys, 7 claims specialists, 6 paralegals, an M.D. medical consultant, and a Ph.D. technical advisor (Agricultural Products), all of whom are directly involved in managing product claims and litigation against the Company. In addition, a staff of 11 full time employees are engaged in managing document collections, computer input and document productions. This staff is supplemented by up to 60 temporary employees who work on document projects as needed.

Although Dow lawyers do not typically represent the Company at trial, the Dow approach to litigation management is one of detailed involvement.

The Litigation Section has been using computerized litigation support systems in document productions for about 10 years. In addition, Section management utilized a computerized system to track loss reserves, expenses, trial dates and other information relevant to good case management. This system provides a means to determine litigation trends by geographical area and product, in addition to helping focus attention on high priority cases.

All cases are periodically reviewed by a Litigation Review Committee of senior Dow lawyers, chaired by the General Counsel.

F 192007

DO 124070
CONFIDENTIAL

APPLICATION

F192008

DO 124071
CONFIDENTIAL

UMBRELLA POLICY APPLICATION

1. Full name of Applicant (include all companies to be insured):

DOW CORNING CORPORATION

Notes: (a) Give details of any operations for which coverage is not required:

ALL OPERATIONS ARE TO BE COVERED

(b) If the companies to be insured are not the Parent Company, please give name of the Parent Company.

NOT APPLICABLE

2. Address of:

(a) Head Office: 2200 W. Salzburg Road
Auburn, MI 48611

(b) Main Locations of Operations:

MIDLAND, MICHIGAN
CARROLLTON, KENTUCKY
ELIZABETHTOWN, KENTUCKY
GREENSBORO, NORTH CAROLINA
HEMLOCK, MICHIGAN
SPRINGFIELD, OREGON
ARLINGTON, TENNESSEE
FREELAND, MICHIGAN
BRUSSELS, BELGIUM
VALBONNE, FRANCE
MUNICH, WEST GERMANY
WIESBADEN, WEST GERMANY
CAMPINAS, BRAZIL
CHUNGJU, KOREA

TRUMBULL, CONNECTICUT
SAN MARTIN, MEXICO
KANAGAWA, JAPAN
CHIBA, JAPAN
FUKUI, JAPAN
BLACKTOWN, AUSTRALIA
CHUNG LI, TAIWAN
BARRY, WALES
JOHANNESBURG,
SOUTH AFRICA
NORCROSS, GEORGIA

F192009

3. Estimate of: 1986

(a) Annual Payroll \$220,199,000

(b) Annual Receipts or Sales

(1) DOMESTIC \$ 575,200,000

(2) FOREIGN 493,300,000

TOTAL \$1,068,500,000

(c) Number of Employees 6,450 (4030 in USA)

4. Description of all Operations

MANUFACTURE AND SALE OF SILICONES, SILICON
METAL AND SPECIALITY LUBRICANTS5. Describe all the products manufactured, handled,
distributed or sold under the following
classifications:

<u>Classification</u>	<u>Description</u>	<u>Annual Sales</u>
a)	Aircraft Products	15,400,000
b)	Pharmaceuticals	11,000,000
c)	Chemicals	53,100,000
d)	Any Other Products	

6. (a) State (i) Estimated Advertising Expenditure
per annum

\$10,058,000

(ii) Advertising Media used and
proportion of Expenditure on eachMAGAZINES AND NEWSPAPER - 80%
ALL OTHER - 20%(B) Is Advertising Agency employed?...Yes...if 'yes'
state if Applicant is included as Additional
Insured under Agency's primary policies or
protected by Hold Harmless Agreement.

NO TO BOTH

7. State separately number and type of owned and leased automobile vehicles specifying:

- (a) Separately, number of Passengers Cars, Trucks and Tractor-Trailers.

PASSENGER CARS

USA 506 (INCLUDES 158 VEHICLES UNLICENSED
AND ASSIGNED TO PREMISES)

OTHER 357

TOTAL 863

TRUCK/TRACTOR TRAILER 1

- (b) Type of Cargo hauled with full details where inflammable and/or explosive substances are involved.

FLAMMABLE SUBSTANCES TRANSPORTED
BETWEEN DOW CORNING AND DOW DISPOSAL
FACILITIES APPROXIMATELY 10 MILES.

- (c) Details of long haul (over 50 miles) operations.

NO LONG HAUL OPERATIONS

8. State separately

- (a) Number of owned and leased Aircraft with individual description of each unit.

SEATING CAPACITY

1979 BEECH KING AIR 200	OWNED	8 + 2 CREW
1981 FALCON 10	OWNED	6 + 2 CREW
1985 FALCON 200	LEASED	10 + 2 CREW

- (b) Give details of any facilities maintained for the purpose of servicing, repairing or refueling aircraft and state whether these facilities would be made available for operations on aircraft of others.

DOW CORNING LEASES ONE HANGER AT
TRI-CITY AIRPORT LOCATED NEAR MIDLAND,
MICHIGAN. SERVICES AND MAINTAINS
DOW CORNING AIRCRAFT ONLY. NO REFUELING.

F192011

9. State number and type of watercraft, specifying:

NONE

- (a) If owned, leased or chartered
- (b) Passenger and/or larger capacity
- (c) Type of cargo
- (d) Navigational Limits
- (e) Type of Charter

10. Give details of any docks, ports, wharves or quay facilities.

OWN LANDING AND MOORING FACILITY ON OHIO RIVER
AT CARROLLTON, KENTUCKY. PRIMARY INSURANCE IS
CARRIED.

11. Give details of any railroad facilities.

NONE OTHER THAN SIDE TRACKS

12. State details of operations carried out away from owned or leased premises (construction or installation work. etc.) specifying:

- (a) amount of work sub-contracted and details of insurance carried by sub-contractor
- (b) nature of projects and/or contracts involved.

REFER TO APPENDIX A

13. State details including separate values and Fire/Extended Coverage rates of:

- (a) Leased Premises with values in excess of \$25,000 where Applicant is not held harmless or named as additional Insured in premises owner's Fire/Extended Coverage Policy

NONE EXCESS OF \$100,000 WHERE NOT
HELD HARMLESS OR NAMED

F192012

DO 124075
CONFIDENTIAL

- (b) Any other property of others in the Applicant's Care, Custody or Control where values are likely to exceed \$25,000 at any time.

NONE KNOWN

14. State details of written contractual agreements other than liability assumed under any lease of premises, easement agreement, agreement required by municipal ordinance, side-track agreements and elevator escalator maintenance agreement.

NORMAL TO BUSINESS

15. Has the Applicant any exposure under the following legislation?...No.... If 'Yes' specify which and give separate payrolls.

- (a) Jones Act or Admiralty Jurisdiction
- (b) Federal Railroad Employers Act
- (c) Federal Longshoreman's and Harbour Workers Act

16. Describe any malpractice exposures, together with:

- (a) Number of Doctors employed 1
- (b) Number of Nurses employed 5
- (c) Facilities maintained

FACILITIES ARE MAINTAINED FOR EMPLOYEES
EMERGENCY AND HEALTH MAINTENANCE PURPOSES
AT MIDLAND, MICHIGAN AND BARRY, WALES LOCATIONS.

ALL OTHER MAJOR DOW CORNING LOCATIONS USE
EMERGENCY MEDICAL SERVICES AND CONTRACT
PHYSICIANS.

- (d) Any malpractice exposures other than medical.

NONE

17. Give details of any exposure under any liquor law.

HOST LIQUOR LIABILITY

F192013

DO 124076
CONFIDENTIAL

18. (a) Give details of any insurance the Applicant intends to purchase as respects the Underlying Amounts and details of any insurance that may be in force that would act in the same manner.

REFER TO APPENDIX B

- (b) Give details of any non-standard exclusions contained therein.

EXCLUSIONS CONTAINED IN THE INSURANCE
LISTED ARE CONSIDERED TO BE STANDARD.

19. State loss record during the past ten years specifying:

- (a) Full details of all claims inclusive of expenses (whether insured or not) in excess of \$500,000 (enter full amount for first dollar for each case).
- (b) The organization who has evaluated any outstanding amounts and the date of the said evaluation.

REFER TO APPENDIX C

20. Has the Applicant ever handled his own losses in any self-insured areas and if so give details of such loss handling.

REFER TO APPENDIX D

DATE November 6, 1986

F192014

DO 124077
CONFIDENTIAL

APPENDIX A

DOW CORNING CORPORATION

- 12.(a) & (b) ODC Inc. of Atlanta, Georgia became a wholly owned subsidiary of Dow Corning effective April 1, 1984. ODC Inc. has been manufacturing silicone-coated architectural fabrics and marketing roof systems for tension supporting structures.

Estimated sales for ODC Inc. in 1986 total \$6,900,000 including approximately \$2,200,000 for work subcontracted out, representing mainly engineering and installation services.

Subcontractors are subject to compliance with standard insurance provisions consistent with type and size of project.

DO 124078
CONFIDENTIAL

APPENDIX B

DOW CORNING CORPORATION

SCHEDULE OF UNDERLYING INSURANCES

1. General Liability including Automobile, Products, Watercraft and Medical Malpractice including Optometrists - (U.S. and Canada) - including Employees as Additional Insureds, Employee Benefits Liability, Host Liquor Liability and Advertising Injury Liability

CARRIER

C.S.L. B.I.
and/or P.D. \$3,000,000 each occurrence Hartford
\$3,000,000 aggregate where
applicable
Claims Made

2. General Liability including Products - (Foreign)

\$1,000,000 each occurrence AIU
\$1,000,000 aggregate where
applicable
Occurrence

3. Excess General Liability including Products, Watercraft and Malpractice
Following Form of Primary excluding Auto - (Foreign)

C.S.L. B.I.
and/or P.D. \$4,000,000 each occurrence ZURICH
\$4,000,000 aggregate where
applicable
Occurrence

4. Excess General Liability including Products, Watercraft and Malpractice
Following Form of Primary excluding Auto - (Domestic)

C.S.L. B.I.
and/or P.D. \$2,000,000 each occurrence DEVONSHIRE
\$2,000,000 aggregate where
applicable
Claims Made

F192016

DO 124079
CONFIDENTIAL

5. E.L., E.L.O.D.

\$1,000,000/\$1,000,000/\$1,000,000 HARTFORD

6. Aircraft Liability (Owned and Non-Owned)

C.S.L. B.I. and/or P.D.

Including Admitted

Liability \$50,000,000

Hanger Keepers \$100,000/\$200,000

U.S.A.I.G

7. Landing Owners Legal

\$5,000,000 each occurrence

I.N.A.

F192017

DO 124080
CONFIDENTIAL

APPENDIX C

DOW CORNING CORPORATION

19. Losses Excess of \$500,000 From First Dollar

DATE OF OCCURRENCE

11/81

COMPANY

Hartford

STATUS

(BI) \$206,399 Paid Expense
 250,000 Open Loss
43,601 Open Expense
 \$500,000 OPEN

NARRATIVE

PRODUCT - MAM PROS
 Stern, M. Human Adjuvant Disease

*In addition, \$1,500,000 in Punitive Damages was awarded in the State of California. Under California law, punitive damages are not insurable.

AGGREGATE

GENERAL LIABILITY INCLUDING PRODUCTS FROM FIRST
 DOLLAR - OCCURRENCE BASIS

<u>POLICY YEAR</u>	<u>TOTAL INCURRED</u>
76	465,588
77	352,844
78	617,562
79	854,481
80	1,084,481
81	1,932,717
82	2,142,940
83	2,106,258
84	2,346,063
85	2,036,859

F192018

APPENDIX D

DOW CORNING CORPORATION

20. Currently, losses under the Dow Corning insurance programs are being handled by primary insurance carriers. The only exception is with regards to Products Liability losses.
- Products liability property losses up to \$5,000 are handled by Dow Corning's legal staff. Losses valued between \$5,000 and \$25,000 may be handled by the Dow Corning legal staff with approval from the primary carrier.

dowexapp

DO 124082
CONFIDENTIAL



NAMED INSURED: THE DOW CHEMICAL COMPANY, et al.
EFFECTIVE DATE: December 1, 1986

ENDORSEMENT NO. 3

GENERAL CHANGE ENDORSEMENT

This endorsement changes Policy No. EL 50522 of National Indemnity Company. These changes are effective December 1, 1986, the inception date of the policy, as follows:

- A. It is understood and agreed that subsection A of the section of the Declarations titled UNDERLYING PRIMARY INSURANCE is amended to read as follows:

"UNDERLYING PRIMARY INSURANCE

- A. The Dow Chemical Company and subsidiaries shall insure or retain the following primary coverages:

1. General Liability including Products/Completed Operations Hazard Liability (other than U.S.A. Products Liability), Automobile Liability, Watercraft Liability (respects Barges, Scows, Lighters, Tugs, Launches and similar Watercraft) in rem, Airport Liability, Hangar Liability, Professional Liability, Malpractice Liability, Employee Benefits Liability, Blanket Contractual and Care, Custody and Control other than owned or transported:

\$5,000,000 combined single limit, exclusive of Claims Expenses, for each and every Occurrence.

2. U.S.A. Products Liability:

- a. \$500,000 combined single limit, inclusive of Claims Expenses, for each and every Occurrence and all Claims Expenses in excess of \$500,000 for each and every Occurrence.

- b. In excess of Subsection 2(a) above, \$4,500,000 combined single limit (inclusive of Claims Expenses not exceeding \$500,000 for each and every Occurrence) for each and every Occurrence up to an annual aggregate limit of \$20,000,000.

3. a. Employers Liability, Employers Liability Occupational Disease including Federal Longshoreman's and Harbor Workers Act and Jones Act:

\$5,000,000 Bodily Injury by Accident/Each Accident.

F192022



\$5,000,000 Bodily Injury by Disease/Each Employee.

\$5,000,000 Bodily Injury by Disease/Policy Limit.

4. Aircraft Liability - Owned and Non-Owned:

\$200,000,000 combined single limit including admitted liability."

- B. It is further understood and agreed that the section of the Declarations titled CLAIMS EXPENSES is amended to read as follows:

"CLAIMS EXPENSES

With respect to any Occurrence covered by the terms and conditions of this Policy and subject to the Aggregate Limits of Insurance, inclusive of Claims Expenses, of this Policy the Insurer shall:

1. Pay that proportion of Claims Expenses incurred by the Named Insured that is the same proportion as the indemnity payments assigned to this excess layer are to the total indemnity payments, excluding U.S.A. Products Liability for The Dow Chemical Company and subsidiaries; and
 2. For U.S.A. Products Liability of The Dow Chemical Company and subsidiaries and subject to a maximum amount of \$500,000 Claims Expenses per Occurrence assigned to the Underlying Primary Insurance and this policy layer, pay Claims Expenses which exceed the Underlying Primary Insurance per Occurrence and/or aggregate limits for U.S.A. Products Liability of The Dow Chemical Company and subsidiaries."
- C. It is further understood and agreed that the paragraph numbered 3 under "PERSONS INSURED" is amended to read as follows:
- "3. The Insured's joint ventures and partnerships with respect to Occurrences arising out of or in connection with such joint ventures or partnerships subject to:
- a. Joint ventures and partnerships for whom the Insured is contractually obligated to provide insurance shall be considered as Additional Insureds under this Policy.

F192023



F192024

- b. Joint ventures and partnerships for whom the Insured is not contractually obligated to provide insurance shall be considered as Additional Insureds under this Policy, Provided, However, that the Company shall not be liable for a greater percentage of any Loss arising from an Occurrence arising out of a joint venture or partnership than the percentage of the Insured's equity interest in said joint venture or partnership."
- D. It is further understood and agreed that the paragraph numbered 3 under "DEFINITIONS" shall be deleted. This deletion shall not imply that the definition of "Claim" in the Policy is, in any way, incorrect.
- E. It is further understood and agreed that the paragraph numbered 9 under "DEFINITIONS" shall be deleted. This deletion shall not imply that the definition of "Policy" in the Policy is, in any way, incorrect.

All other terms and conditions of the Policy remain unchanged.

IN WITNESS WHEREOF, the Company has caused this Endorsement to be executed and attested.

NATIONAL INDEMNITY COMPANY

By:

Vice President

ATTEST:

Norma C. Weber
Assistant Secretary

**Marsh &
McLennan**

Marsh & McLennan
One Woodward Avenue, Suite 1200
Detroit, Michigan 48226-3493
Telephone 313 965-5400

*7-8-88 Jina will fax a copy of
memo 11/10/87 letter referred to
Her*

R E C E I V E D
SEP 01 1988

August 30, 1988

INSURANCE DEPARTMENT

Mr. John C. Gorte
Manager, Liability Insurance
Corporate Insurance Department
The Dow Chemical Company
2030 Dow Center
Midland, MI 48674

F192020

Re: Umbrella Excess Program
National Indemnity Policy No. EL50522
Period: December 1, 1986 to December 1, 1987

Dear John:

National Indemnity has corrected all of the items mentioned in my letter dated November 12, 1987.

Enclosed is Endorsement No. 3 which corrects the following items:

1. Underlying Schedule of Insurance for DOW
 - a) amended to include "Completed Operations" to the list of hazards
 - b) reference to Landing Dock Liability deleted
2. Claims Expenses - Page 5 -- The phrase "Completed Operations" has been deleted from Paragraphs 1 and 2.
3. Persons Insured - Page 10 - Section 3 -- Joint Ventures has been amended in accordance with the previous policy.
4. Definitions - Page 14 -- Deletion of the definition of "Claim"; however, National Indemnity states that by deleting this it does not imply that it is incorrect.
5. Definitions - Page 15 -- Deletion of the definition of "Policy"; however, National Indemnity states that by deleting this it does not imply that it is incorrect.

DO 124086
CONFIDENTIAL

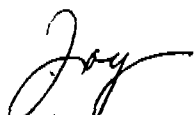
Marsh & McLennan, Incorporated

Mr. John C. Gorte
The Dow Chemical Company
August 30, 1988
Page Two

Lastly, included is a copy of National Indemnity's letter of June 20, 1988 advising that the application is not a part of the policy.

We trust you will find the enclosed in order.

Sincerely,


Joy Stockmaster
Assistant Vice President

JS:vam

Enclosure

F192021

DO 124087
CONFIDENTIAL



National Indemnity Company

SPECIALTY LINES ■ UNUSUAL RISKS

June 20, 1988

Mr. John E. Anderson
Vice President
Marsh & McLennan
One Woodward Avenue, Suite 1200
Detroit, Michigan 48226

Re: The Dow Chemical Company
Policy No. EL 50522

Dear John:

In response to your November 16, 1987, letter and our conversation of last month, enclosed please find National Indemnity Company Endorsement #3 to its policy number EL 50522. I thank you for your patience on this matter. The endorsement makes the changes agreed to in our conversation last month. In addition, confirming our conversation of last month, we agreed that the Application was not a part of the Policy, but that the Policy was issued by National Indemnity Company in reliance upon the representations in the Application.

When we discussed the endorsement last month, I also mentioned to you my request to Marsh & McLennan for updates on the pending Dow claims. Ms. Wysocki of your office did provide me with the limited information which was available to her last month and indicated that she would seek to update us on the remaining claims from Dow. I would appreciate your assistance in obtaining information from Dow on the status of the pending Dow claims.

Very truly yours,

Forrest N. Krutter
Legal Counsel

FNK:td
Encl.

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