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THE ÆTNA CASUALTY AND SURETY COMPANY

HARTFORD, CONNECTICUT 06156

COMPREHENSIVE LIABILITY POLICY NUMBER 65 AL 320034 SRA

DECLARATIONS

Item 1. NAMED INSURED: THE DOW CHEMICAL COMPANY

ADDRESS: 2030 Dow Center
Midland, Michigan, 48640

Item 2. POLICY PERIOD: From April 1, 1986 to April 1, 1987 12:01 A.M. standard time at the address of the named insured as stated herein.

Item 3.

	COVERAGES	LIMITS OF LIABILITY
A.	Personal Injury Liability and Advertising Offense	$ 5,000,000 Each Occurrence Combined Single Limit
B.	Property Damage Liability	$15,000,000 Aggregate for all Coverages Combined
C.	Automobile Medical Payments	$ 5,000 Each Person
D.	Uninsured Motorists	See Endorsement No. 23
E.	Personal Injury Protection	As stated in condition No. 3

		AA	AP
Auto Liab.	P	677,030.00	Incl.
	E	515,595.13	Incl.
		LB	PB
General Liab.	P	1,438,836.00	Incl.
	E	1,299,084.83	Incl.

PIP - Included
Automobile Medical Payments - Included
Uninsured Motorists - $100 Flat Charge
KY Pub. Svc. ZG - AL $89.00
KY Mun. Tax ZG - GL NIL
KY Mun. Tax ZJ - NIL
MD Combined MAIF/UCJ ZJ $58.36
CA Ins. Guar. Fund Recoup ZJ AL $84.99
CA Ins. Guar. Fund Recoup ZJ GL $1,706.17
MCCA - AL $14,028
NCRF Assessment Recoup ZF $1,423.52

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Item 4. POLICY TOTAL - 1 year advance premium $3,948,036

Countersigned by Thomas B. Meldrum

THE ÆTNA CASUALTY AND SURETY COMPANY

HARTFORD, CONNECTICUT 06156

(A STOCK INSURANCE COMPANY, herein called the Company)

In consideration of the payment of the premium and subject to all of the terms of this policy, agrees with the Named Insured as follows:

I. INSURING AGREEMENTS

COVERAGE A - PERSONAL INJURY LIABILITY AND ADVERTISING OFFENSE

COVERAGE B - PROPERTY DAMAGE LIABILITY

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The Company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

Coverage A - Personal Injury and Advertising Offense or
Coverage B - Property Damage

to which this insurance applies, caused by an occurrence, and the Company shall have the right and duty to defend any suit against the insured seeking damages on account of such personal injury, advertising offense, or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

COVERAGE C - AUTOMOBILE MEDICAL PAYMENTS

The Company will pay all reasonable medical expense incurred within three years from the date of the accident:

Division 1. to or for each person who sustains personal injury, caused by accident, while occupying any automobile which is being used by a person for whom personal injury liability insurance is afforded under this policy with respect to such use;

Division 2. to or for each insured who sustains personal injury, caused by accident, while occupying or, while a pedestrian, through being struck by a highway vehicle.

II. EXCLUSIONS

This insurance does not apply:

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a) To Advertising Offense arising out of

(1) Failure of performance of contract, other than the unauthorized appropriation of ideas based upon alleged breach of implied Contract;

II. EXCLUSIONS (CONT.)

(2) Infringement of Trademark, Servicemark, or Tradename, other than Titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised; or

(3) Incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

b) to property damage to, including the loss of use of, property owned or transported by the named insured;

c) to personal injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft operated by or rented or loaned to any insured, except with respect to liability assumed by the insured under contract;

d) to personal injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to

(1) Liability assumed by the insured under any contract, or

(2) Expenses for first aid under the supplementary payments provisions;

e) to any obligation for which the insured or any carrier as his insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;

f) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured within the policy territory; but this exclusion does not apply to liability assumed by the insured or liability of employees resulting from the operation of automobiles by the named insured;

g) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;

h) to loss of use of tangible property which has not been physically injured or destroyed resulting from

(1) A delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or

(2) The failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

But this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work, performed by or on

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II. EXCLUSIONS (CONT.)

behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

i) to property damage to the named insured's products arising out of such products or any part of such products;

j) To property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

k) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named 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;

l) To personal injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, (If the personal injury or property damage occurs away from premises owned by, rented to or controlled by the named insured); but this exclusion does not apply to barges, scows, lighters, launches, tugs used in connection therewith, rowboats, canoes, and other similar watercraft; nor to personal injury or property damage included within the products hazard or completed operations hazard; or resulting from operations performed for the named insured by independent contractors, including but not limited to charterers.

m) to any sums the insured may become liable to pay for removal of obstructions under statutory powers because of grounding or stranding of watercraft covered under this policy;

n) to personal injury or property damage resulting in claims made or suits brought within The United States of America, its territories (except Puerto Rico) or possessions arising out of the products hazard including a warranty of fitness or quality of a product.

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ADDITIONAL EXCLUSIONS WITH RESPECT TO COVERAGE C, THIS INSURANCE DOES NOT APPLY TO:

a) personal injury to any person or insured while employed or otherwise engaged in duties in connection with an automobile business, if benefits therefore are in whole or in part either payable or required to be provided under any workers' compensation law.

III. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below.

(a) the named insured;

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III. PERSONS INSURED (CONT.)

(b) any partner, executive officer, director, comptroller, controller, trustee, employee or stockholder of the named insured while acting within the scope of his duties as such; (Determination of the word "scope", as determined by the named insured)

(c) any other person while using an owned automobile or a leased automobile with the permission of the named insured; but with respect to personal injury or property damage arising out of the loading or unloading thereof, such person shall be an insured only if he is:

(1) a lessee or borrower of the automobile, or

(2) an employee of the named insured or of such lessee or borrower;

(d) any other person or organization but only with respect to his or its liability because of acts or omissions of an insured under (a), (b), or (c) above;

(e) any lessors, whenever the named insured is obligated by contract to include such lessors as additional insureds, but solely as respects the requirements of the contract;

None of the following is an insured:

(i) the owner or lessee (of whom the named insured is a sublessee) of a hired automobile or the owner of a nonowned automobile, or any agent or employee of any such owner or lessee unless the named insured is obligated by contract to include such owner or lessee as an additional insured;

(ii) any partner, executive officer, director, comptroller, controller, trustee, employee or stockholder of the named insured with respect to an automobile owned in full or in part by or registered in the name of such person or a member of his household with the exception of an automobile used by an employee in the course of the named insured's business with the permission of the named insured, in which case the insurance provided by this policy shall be excess of any other insurance available to the employee.

(iii) any person while employed in or otherwise engaged in duties in connection with an automobile business, other than an automobile business operated by the named insured.

IV. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain injury or damage, (3) claims made or suits brought on account of personal injury, advertising offense or property damage or (4) automobiles or watercraft to which this policy applies, the Company's liability is limited as follows:

IV. LIMITS OF LIABILITY (CONT.)

Coverages A and B. Personal Injury, Advertising Offense and Property Damage - The total limit of the Company's liability for all damages as the result of any one occurrence is the amount stated in the declarations as applicable to "each occurrence." Personal Injury and Advertising Offense includes damages for care and loss of services.

Coverage A and B Personal Injury, Advertising Offense and Property Damage - For the purpose of determining the limit of the Company's liability, all personal injury, advertising offense and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

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Coverage C Automobile Medical Payments - The limit of liability for Automobile Medical Payments Insurance stated in the declarations as applicable to "each person" is the limit of the Company's liability for all medical expense for personal injury to any one person, including any insured, as the result of any one accident.

Subject to the above Coverages A, B and C provisions relating to "each occurrence" and "each person" the total liability of the Company for all damages and expenses, including supplementary payments, to which this insurance applies shall not exceed a policy aggregate liability of $15,000,000.

V. POLICY TERRITORY

This policy applies only to losses arising out of claims made or suits brought within the policy territory.

VI. SUPPLEMENTARY PAYMENTS

The Company will pay, subject to the applicable limit of liability:

a) all expenses incurred by the Company, all costs taxed against the insured in any suit defended by the Company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;

b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the insured because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, but the Company shall have no obligation to apply for or furnish any such bonds;

c) expense incurred by the insured for first aid to others at the time of an accident, for personal injury to which this policy applies;

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VI. SUPPLEMENTARY PAYMENTS (CONT.)

d) reasonable expenses incurred by the insured at the Company's request in assisting the Company in the investigation or defense of any claim or suit, including actual loss of earnings.

VII. DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of this policy):

A. "advertising offense" means: injury occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan (other than a patent);

B. "automobile" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto) but does not include mobile equipment.

C. "automobile business" means the business or occupation of selling, repairing, servicing, storing or parking automobiles;

D. "bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

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

(1) when all operations to be performed by or on behalf of the named insured under the contract have been completed,

(2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or

(3) when the portion of the work out of which the injury or damage arises have been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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

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VII. DEFINITIONS (CONT.)

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

(a) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof,

(b) the existence of tools, uninstalled equipment or abandoned or unused material;

F. "hired automobile" means an automobile not owned by the named insured which is used under contract in behalf of, or loaned to, the named insured, provided such automobile is not owned by or registered in the name of (a) a partner, executive officer, comptroller, controller, director, trustee or stockholder or (b) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile, unless the named insured has assumed the liability of such owner;

G. "insured" means any person or organization qualifying as an insured in the "Persons Insured" provision. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the Company's liability;

H. "mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills, concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

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I. "Named insured" means the organization named in item 1 of the declarations of this policy and any domestic or foreign corporations in which it owns, or may own, directly or indirectly more than 50% of the combined voting power.

J. "named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

VII. DEFINITIONS (CONT.)

K. "non-owned automobile" means an automobile which is neither an owned automobile nor a hired automobile;

L. "occurrence" means an accident, including continuous or repeated exposure to conditions, which results in personal injury, advertising offense or property damage, which is neither expected nor intended from the standpoint of the insured. However, as respects products liability only, the word "expected" is eliminated from this definition;

M. "owned automobile" means an automobile owned by the named insured;

N. "personal injury" means, bodily injury, shock, mental anguish, sickness or disease; injury arising out of false arrest, detention or imprisonment, malicious prosecution, wrongful entry or eviction or other invasion of the right of private occupancy, humiliation or racial or religious discrimination (unless such discrimination arises out of employment or unless committed by or at the direction of the insured, or unless insurance therefore is prohibited by law); and except with respect to injury occurring in the course of the named insured's advertising activities, injury arising out of the publication or utterance of a libel or slander or of other defamatory or disparaging material; or a publication or utterance in violation of an individual's right of privacy;

O. "policy territory" means

(1) The United States of America, its territories (except Puerto Rico) or possessions or Canada, or

(2) international waters or airspace, provided the bodily injury or property damage does not occur in the course of travel or transportation to or from any other country, state or nation.

P. "private passenger automobile" means an automobile of the private passenger type including motorcycles and motorbikes;

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

R. "property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period;

S. "tangible" means capable of being touched;

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VII. DEFINITIONS (CONT.)

T. "trailer" includes semi-trailer but does not include mobile equipment.

Additional Definitions with respect to Coverage C:

"Automobile" means an automobile for which coverage applies under this policy and includes;

(a) an automobile not owned by the named insured while temporarily used as a substitute for an owned automobile when withdrawn from normal use for servicing or repair or because of its breakdown, loss or destruction; and

(b) "highway vehicle" means a land motor vehicle or trailer other than

(1) a farm tractor or other equipment designed for use principally off public roads, while not upon public roads,

(2) a vehicle operated on rails or crawler-treads, or

(3) a vehicle while located for use as a residence on premises;

"medical expense" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital professional nursing and funeral services;

"occupying" means in or upon or entering into or alighting from.

VIII. CONDITIONS

1. PREMIUM. All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period, the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the Company shall return to the named insured the unearned portion paid by the named insured. The named insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the Company at the end of the policy period and at such times during the policy period as the Company may direct.

2. INSPECTION AND AUDIT. The Company shall be permitted but not obligated to inspect the named insured's property and operations at any

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time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful or in compliance with any law, rule or regulation. The Company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. FINANCIAL RESPONSIBILITY, NO FAULT, OR SIMILAR TYPE LAWS. When this policy is certified as proof of financial responsibility for the future under the provisions of any financial responsibility, no fault, or similar type laws such insurance as is afforded by this policy for personal injury liability or for property damage liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The insured agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

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4. INSURED'S DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT. In event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place, and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the Company or any of its authorized agents as soon as practicable, after such occurrence or accident has been reported to the insured's corporate insurance or legal department at its office in Midland, Michigan.

   (a) If claim is made or suit is brought against the insured, the insured shall immediately forward to the Company every demand, notice, summons or other process received by insured or insured's representative.

   (b) The insured shall cooperate with the Company and, upon the Company's request assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

5. SUBROGATION. In the event of any payment under this policy, the Company shall be subrogated, to the extent of such payment, to all the insured's rights of recovery thereof and the insured shall execute all papers required and shall do everything that may be necessary to

secure such rights. Any amount recovered as a result of such proceedings shall be apportioned as follows: The Company shall first be reimbursed to the extent of its actual payments hereunder, if any balance then remains, said balance shall be applied to reimburse the insured. The expense of all proceedings necessary to recovery of any such amount shall be apportioned between the insured and the Company in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of the Company, the expenses thereof shall be borne by the Company. The Company, however agrees to waive its right of subrogation against any Individual, Partnerships, Corporation or entity for whom the Named Insured is obligated by contract prior to loss to secure this waiver of subrogation.

6. CHANGES. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right 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 of this policy.

7. ASSIGNMENT. Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon; if, however, the named insured shall be adjudged bankrupt or insolvent within the policy period, this policy, unless cancelled, shall cover the insured's legal representative for the unexpired portion of such period.

8. CANCELLATION. This policy may be cancelled by either of the parties by mailing written notice to the other party stating when, not less than (90) days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by either of the parties hereto, to the other at their respective addresses as shown in this policy shall be sufficient proof of notice, and the insurance under this policy shall end on such effective date and hour of cancellation stated in the notice. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing. Upon cancellation, earned premium shall be computed pro-rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The check of either party hereto, or of its representatives mailed or delivered as aforesaid shall be sufficient tender of any payments, refund or premium due.

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9. OTHER INSURANCE. The insurance afforded by this policy shall be excess insurance over any other valid and collectible insurance available to the insured, whether or not such insurance is stated to be primary, excess or contingent, except where such insurance is specifically stated to be excess of this policy. However, it is understood and agreed that the insured may purchase "other" domestic insurance that provides coverage for certain hazards covered under this policy. In this event, the limits of liability provided by this policy will be inclusive of whatever limits are provided by such "other" domestic insurance but only up to a $250,000 combined single limit.

VIII. CONDITIONS (CONT.)

In the event of a loss covered by such "other" domestic insurance the settlement procedure will be as follows:

1. The "other" domestic insurance will be primary.

2. The insurance provided by this policy will respond excess of such "other" domestic insurance subject to the following limitations:

   A. The limits of liability of this policy will be inclusive of the limits paid under the "other" domestic insurance up to $250,000 combined single limit.

   B. The total limits of liability available under this policy will be reduced by the amount paid under the "other" domestic insurance but only up to $250,000 combined single limit.

10. CROSS LIABILITY. Except with respect to the limits of the Company's liability, the insurance afforded applies separately to each insured against whom claim is made or suit is brought including claims made or suits brought by any persons included within the persons insured provision of the insurance against any other such persons. Further, the Company agrees to waive its right of subrogation against any of the insureds, and any corporation in which The Dow Chemical Company owns or may own, directly or indirectly, twenty-five percent or more of the combined voting power if said corporations are or any of them is insured by the Ætna Life and Casualty.

    It is further agreed that the Company, in exercising its right of subrogation, if any, against any corporation referred to in the paragraph immediately preceding this one, will not do so without prior consultation with and consent from the legal department of The Dow Chemical Company, such consent not to be unreasonably withheld.

11. ACTION AGAINST COMPANY. No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the Company.

    Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the insured to determine the insured's liability, nor shall the Company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the Company of any of its obligations hereunder.

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IN WITNESS WHEREOF, The Ætna Casualty and Surety Company has caused this policy to be signed by its Assistant Vice President and a Director at Hartford, Connecticut and countersigned on the Declarations Page by a duly authorized agent of the Company.

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DIRECTOR

ASSISTANT VICE PRESIDENT

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