AEIA HR 000043990 10/1/90 - 10/1/91

N18760

LIABILITY-EXCESS 9/30/91
Hanson Industries
HR000043990

**THIS IS A REPORTED OCCURRENCE POLICY WHICH CONTAINS CERTAIN FEATURES THAT ARE ANALOGOUS TO THE ONES FOUND IN CLAIMS MADE POLICIES. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

# EXCESS INDEMNITY POLICY

**INSURANCE UNDER THIS POLICY IS PROVIDED BY SEVERAL SEPARATE INSURERS, WHO ARE ALL MEMBERS OF THE AMERICAN EXCESS INSURANCE ASSOCIATION. THE LIABILITY OF THESE INSURERS IS SEVERAL AND NOT JOINT AND IS SET OUT SPECIFICALLY IN ENDORSEMENT NUMBER 1 WHICH IS ATTACHED TO AND FORMS PART OF THIS POLICY.**

American Excess Insurance Association

*Words and phrases that appear in all capital letters have the special meanings set forth in Section V–DEFINITIONS.*

## DECLARATIONS

POLICY NUMBER: HR000043990

Item 1: NAMED INSURED: HANSON INDUSTRIES

Address of NAMED INSURED: 410 PARK AVENUE
NEW YORK, NY 10022

Item 2: COMPANY'S Limit of Liability under this POLICY in the aggregate for all covered OCCURRENCES:
$75,000,000.00 part of $75,000,000.00.
See Endorsement Number 1 to this POLICY.

Item 3: PER OCCURRENCE UNDERLYING AMOUNT:
$25,000,000.00

**"DEFENSE EXPENSES" ARE INCLUDED IN THE LIMITS OF LIABILITY OF THE POLICY AND ARE IN THE "PER OCCURRENCE UNDERLYING AMOUNT"**

Item 4: POLICY PERIOD:
From: 12:01 A.M.* on the 1st day of October, 1990.
("Inception Date").

To: 12:01 A.M.* on the 1st day of October, 1991.
("Expiration Date").

Item 5: RETROACTIVE DATE:
12:01 A.M.* on the 1st day of October, 1986.

Item 6: Flat Premium for the POLICY PERIOD:
$1,365,000.00

Item 7: Representative of COMPANY:

Farmington Management, Inc.
RiverBend Executive Park
77 Hartland Street
East Hartford, CT 06108
Attention: The President

Item 8: Representative of NAMED INSURED:

DIRECTOR OF RISK MANAGEMENT
HANSON INDUSTRIES
99 WOOD AVE, SOUTH
ISELIN, NJ 08830

Item 9: Endorsements attached at POLICY issuance:

1. Liability of Insurers Endorsement, AEIA-2
2. Pollution Exclusion Revision Endorsement, AEIA-35
3. New York Mandatory Endorsement, AEIA-S-6

American Excess Insurance Association
Countersigned by Clinton N. Greene
(Authorized Representative)

*Standard Time at the address of the NAMED INSURED as stated herein.

# Insuring Agreements

In consideration of the payment of the premium and in reliance on all statements made and information furnished by the NAMED INSURED to the COMPANY, including the representations and warranties made in the Application for this POLICY, hereby made a part hereof, and subject to the foregoing Declarations, hereby made a part hereof, and to all of the terms of this POLICY, the COMPANY and the NAMED INSURED agree as follows:

## I. COVERAGE

(a) The COMPANY shall indemnify the INSURED for ULTIMATE NET LOSS which the INSURED shall become legally obligated to pay by reason of liability imposed upon the INSURED by law or liability of others assumed by the INSURED under contract or agreement because of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE anywhere in the world,

(1) which results from an OCCURRENCE, notice of which shall have been first given to the COMPANY *(in accordance with Condition (c) hereof)*:

(A) by the NAMED INSURED during the POLICY PERIOD;

(B) by the NAMED INSURED during any EXTENDED REPORTING PERIOD which the NAMED INSURED shall have elected to secure (or continue) in accordance with the following paragraph I(b); or

(C) by any former subsidiary or affiliate of the NAMED INSURED during any EXTENDED REPORTING PERIOD *that may arise in accordance with Condition (m) hereof; and*

(2) for which a CLAIM is made against the INSURED, and of which CLAIM the NAMED INSURED has given written notice to the COMPANY, within ten (10) years from the effective date of cancellation of the POLICY or the Expiration Date stated in Item 4 of the Declarations irrespective of whether:

(A) the notice of OCCURRENCE in paragraph I(a)(1) above was given during the POLICY PERIOD; or

(B) such notice was given during the *EXTENDED REPORTING PERIOD;*

provided, however, that in no event shall there be coverage under this POLICY for any liability of any INSURED with respect to any OCCURRENCE, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE for which there is, or but for the issuance of this POLICY would be, any coverage in any amount provided under any other policy issued by the COMPANY to the INSURED irrespective of whether such other policy is issued prior to, simultaneously with or subsequent to this POLICY.

(b) *In the event of cancellation or nonrenewal of this POLICY* by the NAMED INSURED or the COMPANY, other than cancellation for nonpayment of premium, the NAMED INSURED may elect to secure an EXTENDED REPORTING PERIOD for an ANNUAL PERIOD, and thereafter may elect annually to continue such EXTENDED REPORTING PERIOD for no more than four (4) additional ANNUAL PERIODS, for such INSUREDS as the NAMED INSURED shall designate, by giving the COMPANY written notice of such election not less than ten (10) days prior to the effective date of cancellation of the POLICY or the Expiration Date stated in Item 4 of the Declarations, or the expiration date of each ANNUAL PERIOD, and by paying to the COMPANY the applicable annual premium as set forth in the attached Schedule B no later than the date of commencement of each ANNUAL PERIOD of such EXTENDED REPORTING PERIOD.

Where notice of an OCCURRENCE is first given, in accordance with Condition (c), during such EXTENDED REPORTING PERIOD, it shall be deemed to have been given during the POLICY PERIOD of this POLICY for purposes of the application of the terms of this POLICY including, but not by way of limitation, the COMPANY'S Limit of Liability and the PER OCCURRENCE UNDERLYING AMOUNT.

## II. LIMIT OF LIABILITY

(a) Subject to all the terms hereof, the COMPANY shall indemnify the INSURED, in accordance with Condition (f), only for that amount of ULTIMATE NET LOSS, as provided for in Endorsement Number 1 to this POLICY, for any OCCURRENCE covered pursuant to paragraph I hereof, which ULTIMATE NET LOSS is in excess of the greater of either:

(1) ULTIMATE NET LOSS in the amount of the PER OCCURRENCE UNDERLYING AMOUNT; or

(2) ULTIMATE NET LOSS with respect to any OCCURRENCE in the amount covered by collectible OTHER INSURANCE;

and then only up to the amount stated in Item 2 of the Declarations as the COMPANY'S Limit of Liability, which is the maximum amount payable by the COMPANY under this POLICY in the aggregate with respect to all ULTIMATE NET LOSS arising from any and all OCCURRENCES, irrespective of the period over which any OCCURRENCE, loss, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE occurs or the number of such OCCURRENCES, losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES and irrespective of whether the notice of OCCURRENCE is given during the POLICY PERIOD or during any applicable EXTENDED REPORTING PERIOD.

(b) Only ULTIMATE NET LOSS which would be covered by this POLICY (if the terms of this POLICY were satisfied) but for the amount of such ULTIMATE NET LOSS and/or the existence of OTHER INSURANCE is included within the ULTIMATE NET LOSS referred to in paragraphs II(a)(1) and (2) above.

(c) Neither:

(1) the inclusion or addition hereunder of more than one INSURED; or

(2) any EXTENDED REPORTING PERIOD secured in accordance with paragraph I(b), and or arising in accordance with Condition (m) hereof;

shall operate to reinstate or increase the COMPANY'S Limit of Liability beyond that set forth in Item 2 of the Declarations or to extend the POLICY PERIOD.

## III. EXCLUSIONS

This POLICY shall not apply to any liability or alleged liability of the INSURED for:

(a) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE for which the INSURED has assumed liability under any contract or agreement, if such PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE occurred prior to the time such contract or agreement became effective;

(b) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE in any manner arising out of the design, construction, maintenance, manning, ownership, operation or use of any WATERCRAFT; provided, however, that this Exclusion (b) *shall not apply with respect to WATERCRAFT or risks listed on Schedule* D hereto and loading or unloading of any WATERCRAFT at premises owned, leased or controlled by the INSURED;

(c) (1) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly arising out of:

(A) the actual, alleged or threatened discharge, dispersal, release, seepage, or escape of any POLLUTANT into or upon any person, place or thing including the land or other real estate, any man-made structure, the atmosphere, any water or watercourse whether above or below ground or otherwise into the environment, however caused and whenever happening; or

(B) any direction or request whether governmental or otherwise, that the INSURED evaluate, test for, monitor, clean up, remove, control, contain, treat, detoxify or neutralize any POLLUTANT or the actual, alleged or threatened discharge, dispersal, release, seepage or escape thereof;

*provided, however, except as provided in paragraph (2) of this* Exclusion (c), that subparagraphs (1)(A) and (B) of this Exclusion (c) shall not apply to PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE arising out of or alleged to arise out of such discharge, dispersal, release, seepage or escape and caused solely by:

(C) unintended fire or explosion, or lightning; or

(D) a collision or overturning of an AUTOMOBILE or railroad vehicle;

(E) a single or intermittent discharge, dispersal, release or escape, which ceases within seven (7) days of its first commencement, of:

(i) POLLUTANTS, other than herbicides, pesticides or defoliants, which constitute the INSURED'S PRODUCTS;

(ii) POLLUTANTS, other than herbicides, pesticides or defoliants, where such discharge, dispersal, release or escape is caused by or results from the INSURED'S PRODUCTS, other than products that are specifically designed, intended or marketed to evaluate, test for, monitor, treat, detoxify or neutralize POLLUTANTS; or

(iii) POLLUTANTS from premises owned, leased, rented or controlled by the INSURED;

and provided that such discharge, dispersal, release or escape results in PERSONAL INJURY or PROPERTY DAMAGE which commences and is discovered within seven (7) days after the time such discharge, dispersal, release or escape first commences;

(2) The exception to subparagraphs (1)(A) and (B) of this Exclusion (c) which are contained in subparagraphs (1)(C), (D) and (E) of this Exclusion (c), shall in no event apply to:

(A) PROPERTY DAMAGE directly or indirectly arising out of:

(i) underground or underwater operations of the INSURED; and/or

(ii) removal of, loss of or damage to underground or underwater oil, gas or any other substance;

(B) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly arising out of the handling, processing, treatment, storage, disposal, dumping, discharge, dispersal, release, seepage or escape of any WASTE;

(C) the cost of evaluating, testing for, monitoring, cleaning up, removing, controlling, containing, treating, detoxifying and/or neutralizing the discharge, dispersal, release, seepage and/or escape of any POLLUTANT on property at any time owned, leased and/or rented by the INSURED and/or under the control of the INSURED; and

(D) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly arising out of the actual, alleged or threatened discharge, dispersal, release, seepage or escape of any POLLUTANT:

(i) into any underground water or watercourse; or

(ii) from any underground or underwater tank, piping or other container of any type;

unless the immediate cause of such discharge, dispersal, release, seepage or escape is unintended fire or explosion, or lightning;

(d) 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;

(2) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised;

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

(4) the failure of goods, products or services to conform to advertised quality or performance;

(e) (1) except in respect of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE taking place in and caused by events and conditions occurring in the land area of the United States of America, its territories or possessions, or Canada, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

(2) except in respect of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE, taking place in and caused by events or conditions occurring in the land area of the United States of America, its territories or possessions, or Canada, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE, not excluded by paragraph (1) of this Exclusion (e), which is caused by, results from or is attributable to the INSURED'S PRODUCTS, which are used, designed or intended to be used for the purpose of inflicting PERSONAL INJURY or PROPERTY DAMAGE, and which PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE arises in connection with:

(A) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power; or

(B) confiscation, nationalization, requisition or destruction of, or damage to, property in connection with or arising out of any of the situations listed in subparagraph (2)(A) of this Exclusion (e);

(f) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE arising out of asbestos, tobacco or tobacco products, dioxin, asbestiform talc, diethylstibesterol, urea formaldehyde or any intra-uterine device;

(g) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE arising out of the design, manufacture, construction, maintenance, service, use or operation of any AIRCRAFT, or any component part or equipment thereof, or any other airplane navigational or aviation related equipment;

(h) PERSONAL INJURY or PROPERTY DAMAGE

(1) with respect to which an INSURED under this POLICY is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability

Underwriters or Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;

(2) resulting from the "hazardous properties" of "nuclear material" and with respect to which

(A) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(B) 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;

(3) resulting from the "hazardous properties" of "nuclear material", if

(A) the "nuclear material" (i) is at any "nuclear facility" owned by, or operated by or on behalf of, an INSURED or (ii) has been discharged or dispersed therefrom;

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

(C) the PERSONAL INJURY or PROPERTY DAMAGE 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 subparagraph (3)(C) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this Exclusion (h):

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

"nuclear material" means "source material", "special nuclear material" or "by-product material";

"source material", "special nuclear material" and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"waste" means any waste material (1) containing "byproduct material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (2) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility";

"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;

(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;

"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;

"property damage" includes all forms of radioactive contamination of property;

(i) PERSONAL INJURY or PROPERTY DAMAGE directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity outside the United States, its territories or possessions, or Canada from any nuclear fuel, any nuclear waste or from the combustion, fission or fusion of nuclear fuel;

(j) PROPERTY DAMAGE to property rented to, used or occupied by or in the care, custody or control of the INSURED:

(1) to the extent that the INSURED has agreed to provide insurance therefor; or

(2) if such property is owned by any person or organization controlling or coming under the control of the INSURED;

(k) (1) loss of use of tangible property which has not been physically injured or destroyed, resulting from:

(A) a delay in or lack of performance by or on behalf of the INSURED of any contract or agreement; or

(B) the failure of the INSURED'S PRODUCTS or OPERATIONS completed by or on behalf of the INSURED either to meet any warranty or representation by the INSURED as to the level of performance, quality, fitness or durability or to perform the function or serve the purpose intended by the INSURED;

provided, however, that paragraph (1) of this Exclusion (k) shall not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the INSURED'S PRODUCTS or OPERATIONS performed by or on behalf of the INSURED after such INSURED'S PRODUCTS or OPERATIONS have been put to use by any person or organization other than an INSURED;

(2) PROPERTY DAMAGE to any portion or section of the INSURED'S PRODUCTS or of OPERATIONS completed by or on behalf of the INSURED, if such PROPERTY DAMAGE arises out of that portion of such products or that section of OPERATIONS, or out of materials, parts or equipment furnished in connection therewith; or

(3) the withdrawal, inspection, repair, replacement, or, in connection with any of the foregoing, loss of use, of the INSURED'S PRODUCTS or OPERATIONS completed by or for the INSURED or of any property of which such INSURED'S PRODUCTS or OPERATIONS form a part, if such INSURED'S PRODUCTS, OPERATIONS or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein whether caused or believed to have been caused by the INSURED or by any other person or entity;

(l) 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 the Longshoremen's and Harbor Workers' Compensation Act, or under any similar state or federal law; provided, however, that this Exclusion does not apply to liability arising under the Federal Employers Liability Act or the Jones Act;

(m) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE resulting from an OCCURRENCE if notice of such OCCURRENCE has been given prior to the Inception Date stated in Item 4 of the Declarations under any policy which policy has expired prior to or upon the inception of this POLICY;

(n) PERSONAL INJURY or PROPERTY DAMAGE arising out of discrimination or humiliation directly or indirectly related to employment or prospective employment of any person or persons by any INSURED;

(o) PERSONAL INJURY or PROPERTY DAMAGE directly or indirectly arising out of the actual or threatened termination of employment of any person or persons by any INSURED;

(p) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE and/or any liability of any nature whatsoever arising out of:

(1) the purchase, sale or distribution of securities or offers to purchase or sell securities, or investment counselling or management, including, without limitation, liability under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940, and the so-called "blue-sky" laws of the various states or other jurisdictions or any laws amendatory of any thereof;

(2) antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including, without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act and the similar or equivalent laws of the various states or other jurisdictions;

(3) fraud or breach of fiduciary duty;

(4) governmental, civil or criminal fines or penalties;

(5) the failure to pay when due any governmental tax (including, without limitation, income, excise, property, value added and sales tax) or tariff, license fee or other governmental fee which is incidental to the conduct of business or any assessment, fine or penalty related thereto;

(6) copyright, patent or trademark infringement (other than advertising liability with respect to titles or slogans);

(7) any defect in or impairment to title to real property, including fixtures, whether or not owned by an INSURED;

(8) disclosure or other regulation of sales of, and offers to sell, real property;

(9) employee, officer or director dishonesty or any liability of any employee, officer or director of an INSURED to such INSURED.

No inference shall be made from the exclusion of liabilities, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE in any Exclusion that this POLICY would otherwise cover such liabilities, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE or covers similar liabilities, PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE; nor shall any portion of any Exclusion to the POLICY be construed to be an extension of coverage otherwise provided by the POLICY.

## IV. CONDITIONS

(a) *Premium*

(1) The premiums under this POLICY are flat premiums and are not subject to adjustment, except as otherwise provided in paragraph (6) of Definition (j) and Condition (q) hereof. The premium shall be paid to the COMPANY.

(2) Additional premium for an EXTENDED REPORTING PERIOD shall be fully earned, notwithstanding anything contained in this POLICY to the contrary, when the ANNUAL PERIOD to which such premium is applicable incepts.

(b) *Inspection and Audit*

(1) The COMPANY shall be permitted but not obligated to inspect the INSURED'S property and operations at any 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 benefit of the INSURED or others, to determine or warrant that such property or operations are safe, healthful or in compliance with any law, rule or regulation.

(2) The COMPANY may examine and audit the INSURED'S books and records at any time while this POLICY is in force and within ten (10) years after the final termination of this POLICY or within one (1) year after final settlement of all claims arising out of any OCCURRENCE notice of which was given during the POLICY PERIOD or any EXTENDED REPORTING PERIOD, as far as they relate to the subject matter of this POLICY.

(c) *Notice of Occurrence or Claim*

(1) If any employee of the risk management or legal department or any officer or director of any INSURED shall become aware of an OCCURRENCE likely to involve this POLICY, the NAMED INSURED shall as soon as practicable, as a condition precedent to the rights of any INSURED under this POLICY, give written notice to the COMPANY which notice shall include, but not be limited to, information as to the nature of the OCCURRENCE, the actual or anticipated injury or damage resulting therefrom, the name(s) of any claimant(s) or potential claimant(s) and the manner in which and the date on which the INSURED first became aware of the OCCURRENCE and such other detailed information as the COMPANY may reasonably request regarding the OCCURRENCE. Unless such written notice is provided as required herein, there shall be no rights to any coverage hereunder.

(2) If any CLAIM likely to involve this POLICY is made against any INSURED, as a condition precedent to the rights of any INSURED under the POLICY, the NAMED INSURED shall, as soon as practicable, give written notice to the COMPANY of such CLAIM and, if written notice of the OCCURRENCE from which the CLAIM arises has not already been given, written notice, in accordance with paragraph (1) of this Condition (c), of the claimed or alleged OCCURRENCE with respect to which such CLAIM is made and shall promptly forward to the COMPANY copies of any written CLAIM, demand, notice, summons, complaint or other process received by the INSURED or its representatives or agents. Unless such written notice is provided as required herein, there shall be no rights to any coverage hereunder.

(3) Notice to the COMPANY shall be given to the person or entity stated in Item 7 of the Declarations and shall be deemed to be given when sent if sent by certified mail, return receipt requested, by telex with receipt acknowledged or by any express mailing service where a written receipt of sending is provided.

(d) *Assistance and Cooperation*

The COMPANY shall not be called upon to assume charge of the settlement or defense of any CLAIM made against an INSURED but the COMPANY shall have the right and shall be given the opportunity to associate at its own expense with the INSURED or the issuers of OTHER INSURANCE or both in the investigation, settlement, defense and control of any CLAIM relative to any OCCURRENCE where the CLAIM involves, or appears reasonably likely to involve, the COMPANY in which event the INSURED and the COMPANY shall cooperate in all things in the defense of such CLAIM.

The INSURED shall enforce or cooperate with the COMPANY to enforce any right of contribution or indemnity against any person or organization who may be liable to the INSURED because of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE with respect to which insurance is afforded under this POLICY.

In the event that the COMPANY, in its sole discretion, chooses to exercise its rights pursuant to this Condition (d), no action taken by the COMPANY in the exercise of such rights shall serve to modify or expand in any manner, the COMPANY'S liability or obligations under this POLICY beyond what the COMPANY'S liability or obligations would have been had it not exercised its rights under this Condition (d).

(e) *Appeals*

In the event the INSURED or the issuers of OTHER INSURANCE elect not to appeal a judgment in excess of the limits of liability of such OTHER INSURANCE, the COMPANY may elect to make such appeal at its own cost and expense and shall be liable for the taxable costs and disbursements and interest on judgments incidental thereto, but in no event shall the total liability of the COMPANY exceed its Limit of Liability stated in Item 2 of the Declarations plus the cost and expense of such appeal.

(f) *Loss Payable*

(1) Indemnity under this POLICY with respect to any OCCURRENCE shall not attach unless and until the INSURED and/or the issuers of OTHER INSURANCE shall have paid the greater of either:

(A) ULTIMATE NET LOSS in the amount of the PER OCCURRENCE UNDERLYING AMOUNT; or

(B) ULTIMATE NET LOSS with respect to any OCCURRENCE in the amount covered by collectible OTHER INSURANCE;

whichever is applicable, as provided in paragraph II(a) hereof and, unless and until the INSURED'S liability shall have been fixed and rendered certain either by final judgment against the INSURED after trial or by settlement approved in writing by the COMPANY.

(2) The INSURED shall make a written demand for payment for any amount of the ULTIMATE NET LOSS for which the COMPANY may be liable under this POLICY as soon as practicable after the INSURED'S liability shall have been fixed and rendered certain and after such amount shall have been paid by or on behalf of the INSURED. If any subsequent payments shall be made by the INSURED on account of the same OCCURRENCE, additional written demands for payment should be made similarly from time to time. Such losses shall be due and payable by the COMPANY within a reasonable time after they are respectively demanded and proven in conformity with this POLICY.

(3) No person or organization shall have any right under this POLICY to join the COMPANY as a party to any action against the INSURED, nor shall the COMPANY be impleaded by the INSURED or his legal representative.

(g) *Representation*

Such person or office as the NAMED INSURED shall designate in Item 8 of the Declarations shall represent the NAMED INSURED and any and all INSUREDS hereunder in all matters under this POLICY including, without limitation, payment of premium, negotiation of the terms of renewal and the adjustment, settlement and payment of CLAIMS.

(h) *Other Insurance*

The insurance afforded by this POLICY shall be in excess of and shall not contribute with OTHER INSURANCE. Nothing herein shall be construed to make this POLICY subject to the terms, conditions and limitations of any OTHER INSURANCE.

(i) *SUBROGATION*

Inasmuch as this POLICY is excess coverage, the INSURED'S right of recovery against any person or other entity cannot be exclusively subrogated to the COMPANY. It is, therefore, understood and agreed that in case of any payment hereunder, the COMPANY will act in concert with all other interests (including the INSURED'S) concerned in the exercise of such rights of recovery. The apportioning of amounts which may be so recovered shall follow the principle that any interests (including the INSURED'S) that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them; the COMPANY is then to be reimbursed out of any balance then remaining up to the amount paid hereunder and, lastly, the interests (including the INSURED'S) of which this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between or among the interests (including the INSURED'S) concerned, in the ratio of their respective recoveries as finally settled.

(j) *Changes*

Notice to or knowledge possessed by any 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 signed by the COMPANY or its authorized representative and issued to form a part of this POLICY.

(k) *Assignment*

Assignment of interest under this POLICY shall not bind the COMPANY unless and until its consent is endorsed hereon.

(l) *Cross Liability*

In the event of CLAIMS being made by reason of:

(1) PERSONAL INJURY suffered by an employee of one INSURED hereunder; or

(2) damage to property belonging to any INSURED hereunder;

for which another INSURED hereunder is or may be liable, then this POLICY shall cover such INSURED, subject to the terms of this POLICY, against whom a CLAIM is made or may be made in the same manner as if separate policies had been issued to each INSURED hereunder. Nothing contained herein shall operate to increase the COMPANY'S Limit of Liability as set forth in Item 2 of the Declarations.

(m) *Former Subsidiaries and Affiliates*

If any subsidiary or affiliate of the NAMED INSURED, which is an INSURED hereunder by virtue of Definition (j) hereof, shall cease to be such a subsidiary or affiliate of the NAMED INSURED, then at the time of such cessation the POLICY PERIOD shall automatically expire as to such former subsidiary or affiliate and, if the NAMED INSURED or such subsidiary or affiliate elects in advance of such expiration, an EXTENDED REPORTING PERIOD shall automatically incept as to such former subsidiary or affiliate and continue in force until expiration of the NAMED INSURED'S POLICY PERIOD under this POLICY without additional payment or refund of any premium.

(n) *Headings*

The descriptions in the headings and sub-headings of this POLICY are inserted solely for convenience and do not constitute any part of the terms hereof.

(o) *Insolvency*

(1) Bankruptcy or insolvency of the INSURED or the INSURED'S estate shall not relieve the COMPANY of any of its obligations hereunder.

(2) The insolvency, bankruptcy, receivership or any refusal or inability to pay of the INSURED and/or any insurer shall not operate to:

(A) lower the PER OCCURRENCE UNDERLYING AMOUNT; or

(B) increase the COMPANY'S liability under this POLICY; and

in no event and under no circumstances shall the COMPANY assume or be deemed to have assumed the liabilities and/or responsibilities and/or obligations of the INSURED.

(p) *Warranty*

The NAMED INSURED warrants and agrees as follows:

(1) that it has no knowledge at the Inception Date stated in Item 4 of the Declarations of any fact or circumstance not disclosed to the COMPANY in the Application for this POLICY which is likely to give rise to a claim hereunder; and

(2) that based upon reasonable inquiry and to the best of its knowledge and belief:

(A) all information provided to the COMPANY in the Application for this POLICY is true and correct; and

(B) no material information requested has been withheld.

(q) *Cancellation*

This POLICY may be cancelled:

(1) at any time by the NAMED INSURED by delivering written notice to the COMPANY stating when, not less than thirty (30) days from the date the notice is delivered, cancellation shall be effective; or

(2) at any time by the COMPANY by delivering written notice to the NAMED INSURED stating when, not less than ninety (90) days from the date notice was delivered, cancellation shall be effective; except, in the event of cancellation for nonpayment of premiums, such cancellation shall become effective fifteen (15) days after the date notice is delivered. Payment or tender of unearned premium is not a condition of cancellation.

Delivery by hand of such notice either by the NAMED INSURED or the COMPANY shall be sufficient delivery. Written notice shall be deemed sufficient delivery if sent by certified mail, return receipt requested, or by telex and receipt is acknowledged. The POLICY PERIOD shall end on the effective date and hour of cancellation stated in the notice.

In the event of cancellation by the INSURED, the premium retained by the COMPANY shall be calculated in accordance with the COMPANY'S short rate table which is attached hereto as Schedule C. In the event of cancellation by the COMPANY, the premium retained by the COMPANY shall be calculated pro-rata based upon the duration of the POLICY PERIOD.

For purposes of notice required under this Condition (q) or pursuant to regulation, the offer by the COMPANY of renewal on terms or premiums different from those in effect during the POLICY PERIOD shall not constitute cancellation or nonrenewal of this POLICY by the COMPANY.

(r) *Arbitration*

(1) *Resolution of Disputes:* All disputes between any INSURED(S) and the COMPANY (hereafter referred to collectively as the "parties") arising out of or under this POLICY, whether arising before or after termination of this POLICY, shall be submitted to arbitration in the manner set forth in this Condition (r).

(2) *Composition of Panel:* Unless the parties agree upon a single arbitrator within fifteen (15) days after the receipt of a notice of intention to arbitrate, all disputes shall be submitted to an arbitration panel composed of two arbitrators and an umpire, chosen in accordance with paragraph (3) or paragraphs (3) and (4) of this Condition (r).

(3) *Appointment of Arbitrators:* The members of the arbitration panel shall be disinterested, active or retired business executives having knowledge relevant to the matters in dispute. Unless a single arbitrator is agreed upon by the parties, the party requesting arbitration (hereafter referred to as the "initiating party") shall appoint an arbitrator and give written notice thereof, either by telex or by registered or certified mail, return receipt requested, to the other party (hereafter referred to as the "responding party") together with the notice of intention to arbitrate. If there is more than one initiating party or responding party such parties shall act collectively as a single initiating party or single responding party for all purposes including giving notice of intention to arbitrate or giving answer to such notice, and appointing an arbitrator. The notice of intention to arbitrate shall state with specificity the full names and addresses of the parties, the POLICY pursuant to which arbitration is sought, the nature of the dispute and the relief sought.

Within thirty (30) days after receiving the notice of intention to arbitrate, the responding party also shall appoint an arbitrator and notify the initiating party thereof in the same manner as above. Before instituting a hearing, the two arbitrators so appointed shall choose an umpire from among such persons meeting the qualifications set forth in this paragraph (3). If, within twenty (20) days after the appointment of the arbitrator chosen by the responding party or chosen in accordance with paragraph (4) of this Condition (r), the two arbitrators fail to agree upon the appointment of an umpire, the initiating party shall petition the President of the American Arbitration Association or his delegate to appoint the umpire. In the event that an arbitrator or the umpire withdraws from the panel or is unable to discharge his or her duties by reason of death, illness, or incompetency or otherwise, a replacement will be selected in the same manner as provided in the original appointment.

(4) *Failure of Party to Appoint Arbitrator:* If the responding party fails to appoint an arbitrator within thirty (30) days after receiving notice of intention to arbitrate, the initiating party shall appoint such arbitrator who shall then, together with the first arbitrator appointed by the initiating party, choose an umpire as provided in paragraph (3) of this Condition (r).

(5) *Choice of Law and Forum:* Any arbitration instituted pursuant to this Condition (r) shall be held in the State of Connecticut and the laws of that State shall govern the interpretation and application of this POLICY, except insofar as such laws may prohibit coverage of punitive or exemplary damages hereunder; provided, however, that the terms of this POLICY are to be construed in an evenhanded fashion as between the INSURED and the COMPANY; without limitation, where the language of this POLICY is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant terms (without regard to authorship of the language, without any presumption or arbitrary interpretation or construction in favor of either the INSURED or the COMPANY) and in accordance with the intent of the parties. In reaching any decision, the panel shall give due consideration to the customs and usages of the insurance industry.

(6) *Submission of Dispute to Panel:* The initiating party shall submit its initial brief within twenty (20) days from appointment of the umpire. The responding party shall submit its brief within twenty (20) days after receipt of the initiating party's brief and the initiating party may submit a reply brief within ten (10) days after receipt of the responding party's brief.

(7) *Procedure Governing Arbitration:* All proceedings before the panel shall be informal and the panel shall not be bound by strict rules of legal procedure or evidence. The panel shall have the power to fix all procedural rules relating to the arbitration proceeding but cross-examination and rebuttal shall be allowed.

(8) *Arbitration Award:* The arbitration panel shall render its decision within sixty (60) days after termination of the arbitration proceeding which decision shall be in writing and may state the reasons therefor. The decision of the majority of the panel shall be final and binding on the parties to the arbitration and may include interest at appropriate market rate(s) and any costs of the arbitration, including a reasonable allowance for attorney's fees. The panel shall not itself assess and award punitive or exemplary damages. Judgment may be entered upon the award in any state or federal court having jurisdiction thereof.

(9) *Cost of Arbitration:* Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the expense of the umpire. In the event that both arbitrators are chosen by the initiating party, as provided for in paragraph (4) of this Condition (r), the initiating party and the responding party shall each pay half of the expenses of both arbitrators and the umpire. The remaining costs of the arbitration proceeding shall be allocated by the panel.

(s) *Currency*

(1) The premiums and losses under this POLICY are payable, and the amounts set forth in the Declarations are expressed, in United States currency.

(2) If judgment is rendered or settlement is denominated, or another element of ULTIMATE NET LOSS is stated, in a currency other than United States currency, payment under this POLICY shall be made in United States currency at the rate of exchange prevailing on the date the final judgment is rendered, the amount of the settlement is agreed upon or the other element of ULTIMATE NET LOSS is due, respectively.

## V. DEFINITIONS

As used in this POLICY:

(a) "ADVERTISING OFFENSE" means DAMAGES arising out of the INSURED'S advertising activities on account of libel, slander, defamation, invasion of right of privacy, piracy, unfair competition, idea misappropriation under an implied contract, or infringement of copyright, title or slogan (other than a patent) committed in any advertisement, publicity article, broadcast or telecast;

(b) "AIRCRAFT" means any heavier than air or lighter than air aircraft designed to transport any person or property, missile or spacecraft;

(c) "ANNUAL PERIOD" means the period of twelve months commencing at:

(1) the effective date of cancellation or the Expiration Date of the POLICY PERIOD; or

(2) the expiration date of any prior ANNUAL PERIOD;

(d) "AUTOMOBILE" means a land motor vehicle, trailer or semi-trailer;

(e) "CLAIM" means:

(1) any written demand, suit or proceeding against any INSURED by a specifically identified person, entity or asserted class for DAMAGES because of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE; or

(2) any written notice of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE by any specifically identified person, entity or asserted class;

(f) "COMPANY" means the American Excess Insurance Association on behalf of its member insurance companies as set forth in Endorsement Number 1 to this POLICY;

(g) "DAMAGES" mean all forms of compensatory damages, and punitive or exemplary damages, but "DAMAGES" do not include governmental, civil or criminal fines or penalties or DEFENSE EXPENSES;

(h) "DEFENSE EXPENSES" means reasonable and necessary legal fees and other expenses which are incurred by or on behalf of the INSURED in the investigation, adjustment, settlement or litigation of claims and which are paid as a consequence of an OCCURRENCE covered hereunder; excluding all salaries of the INSURED'S employees, officers and directors and office expenses;

(i) "EXTENDED REPORTING PERIOD" means the period, if applicable, commencing, with respect to the INSURED, at the effective date of cancellation or the Expiration Date stated in Item 4 of the Declarations or, with respect to a former subsidiary or affiliate of the NAMED INSURED, at the automatic expiration date provided for in Condition (m) hereof and terminating as provided in paragraph I(b) or Condition (m) hereof, whichever is applicable;

(j) "INSURED" means the following to the extent set forth below:

(1) the NAMED INSURED and, if the NAMED INSURED is designated in Item 1 of the Declarations as a partnership or joint venture, the partnership or joint venture so designated and each partner or member thereof but only with respect to his or its liability as a partner or member;

(2) (A) any subsidiary or affiliate of the NAMED INSURED whose accounts, as of the date of the financial statements of the NAMED INSURED submitted to the COMPANY most recently prior to the rating of the premium for the POLICY PERIOD:

(i) are consolidated in the financial statements of the NAMED INSURED in accordance with generally accepted accounting principles in the United States of America (or, in the case of any foreign NAMED INSURED, any subsidiary or affiliate whose accounts would be consolidated in the financial statements of such NAMED INSURED if such accounts would have been consolidated in accordance with generally accepted accounting principles in the United States of America); or

(ii) were eligible for such consolidation and whose financial statements were submitted to the COMPANY as of such date; and/or

(B) any subsidiary or affiliate of the NAMED INSURED listed on Schedule A hereto;

(3) (A) any executive officer, other employee or director of; or

(B) any person or organization while acting as real estate manager for;

any person or entity named in paragraph (1) or (2) of this Definition (j) while acting within the scope of his or its duties as such; except with respect to the ownership, maintenance or use, including loading and unloading, of any AUTOMOBILE;

(4) with respect to the ownership, maintenance or use, including loading and unloading, of any AUTOMOBILE:

(A) owned by, lent to or hired for use by or on behalf of any person or entity named in paragraph (1) or (2) of this Definition (j), any person (including an employee of such person or entity) while using such AUTOMOBILE and any person or organization legally responsible for the use thereof, provided its actual use is with the permission of such person or entity;

(B) not owned by, lent to or hired for use by or on behalf of any person or entity named in paragraph (1) or (2) of this Definition (j), any executive officer, director, partner, employee or stockholder of such person or entity, but only while such AUTOMOBILE is being used in the business of such person or entity;

but none of the following shall be an INSURED under this paragraph (4) of Definition (j):

(C) any person while employed in or otherwise engaged in duties in connection with an AUTOMOBILE sales agency, repair shop, service station, storage garage or public parking place not operated by any person or entity named in paragraph (1) or (2) of this Definition (j);

(D) the owner or lessee (of whom such person or entity is sub-lessee) of any AUTOMOBILE hired for use by or on behalf of or lent to such person or entity, and any agent or employee of such owner or lessee;

(5) any person or organization except:

(A) any organization acquired or formed by or merged with an INSURED after the inception of the POLICY PERIOD; and/or

(B) where such other person or organization is engaged in a joint venture with the NAMED INSURED;

to whom any person or entity named in paragraph (1) or (2) of this Definition (j) is obligated by virtue of a written contract or agreement to provide insurance such as is afforded by this POLICY, but only to the extent of such obligation and only with respect to operations (other than commercial insurance operations) performed by such person or entity or facilities owned or used by such person or entity;

(6) it is agreed to automatically include as an INSURED without adjustment of premium under this POLICY, any entity acquired or formed by or merged with an INSURED (a "Potential Additional INSURED") subsequent to the Inception Date stated in Item 4 of the Declarations and prior to the effective date of cancellation of the POLICY or the Expiration Date stated in Item 4 of the Declarations provided that the fair value of the sum of all cash, securities, assumed indebtedness and other consideration expended by all INSUREDS for any such acquisition, formation or merger does not exceed 5% of the total assets of the NAMED INSURED and its consolidated subsidiaries and affiliates as most recently reported to the COMPANY for rating purposes prior to the POLICY PERIOD, and provided further, that neither the operations of the Potential Additional INSURED prior to such acquisition, formation or merger nor the resultant combined or consolidated operations of such INSURED and the Potential Additional INSURED subsequent to such acquisition, formation or merger are materially different from those of such INSURED prior to such acquisition, formation or merger. Unless notice to the COMPANY shall have been given and any additional premium required by the COMPANY shall have been paid in respect of the acquisition or formation of or merger with any Potential Additional INSURED not meeting the criteria set forth in this paragraph (6) of Definition (j), such Potential Additional INSURED shall not be an INSURED hereunder; provided, however, it is understood and agreed that the COMPANY shall have no obligation to insure such Potential Additional INSURED hereunder and may in its sole discretion decline to provide insurance for such Potential Additional INSURED not meeting the criteria set forth in this paragraph (6). With respect to any OCCURRENCE giving rise to liability of any Potential Additional INSURED that qualifies to be an INSURED hereunder, the RETROACTIVE DATE shall be:

(A) in the case of automatic inclusion, the date of acquisition, formation or merger of the Potential Additional INSURED by an INSURED; or

(B) in the case where an additional premium is paid, the date of acquisition, formation or merger of the Potential Additional INSURED by an INSURED or such other date as may be agreed between the NAMED INSURED and the COMPANY;

(k) "INSURED'S PRODUCTS" means:

(1) goods or products manufactured, sold, tested, handled or distributed by the INSURED or others trading under its name if the end-use thereof occurs after possession of such goods or products has been relinquished to others by the INSURED or by others trading under its name and if such use occurs away from premises owned, rented or controlled by the INSURED; provided such goods or products shall be deemed to include any container thereof other than an AUTOMOBILE, WATERCRAFT or AIRCRAFT; and/or

(2) materials that were the subject of completed or abandoned OPERATIONS of the INSURED;

(l) "NAMED INSURED" means the person or organization first named in Item 1 of the Declarations;

(m) "OCCURRENCE" means:

(1) an event or a continuous, intermittent or repeated exposure to conditions which causes, allegedly causes or is deemed to cause PERSONAL INJURY or PROPERTY DAMAGE or gives rise, allegedly gives rise or is deemed to give rise to ADVERTISING OFFENSE, where:

(A) the event or conditions commence subsequent to the RETROACTIVE DATE and prior to the effective date of cancellation or the Expiration Date stated in Item 4 of the Declarations;

(B) all of such PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE commences subsequent to the RETROACTIVE DATE; and

(C) some of such PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE commences prior to the effective date of cancellation or the Expiration Date stated in Item 4 of the Declarations; or

(2) use of an INSURED'S PRODUCT:

(A) which causes, allegedly causes or is deemed to cause PERSONAL INJURY or PROPERTY DAMAGE where some of such PERSONAL INJURY or PROPERTY DAMAGE commences prior to the effective date of cancellation or the Expiration Date stated in Item 4 of the Declarations;

and, except as may be specifically agreed between the NAMED INSURED and the COMPANY in an endorsement hereto:

(B) where all PERSONAL INJURY and PROPERTY DAMAGE resulting from such use commences entirely at or subsequent to the RETROACTIVE DATE; and

(C) where the INSURED at the Inception Date stated in Item 4 of the Declarations has no knowledge or notice of any defect or hazard or alleged defect or hazard associated with the INSURED'S PRODUCTS or similar products causing or allegedly causing such PERSONAL INJURY or PROPERTY DAMAGE;

and which PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE is reasonably neither expected nor intended by the INSURED.

Where the INSURED becomes liable for a series of and/or several losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES which result directly or indirectly from the same or substantially the same event, conditions, cause, defect or hazard or alleged defect or hazard or failure to warn or alleged failure to warn of such, all such losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES shall be added together and shall be treated as one OCCURRENCE irrespective of the period or area over which the losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES occur or the number of such losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES.

With respect to losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES resulting or alleged to result from the design, formulation, manufacture, distribution, use, operation, maintenance or repair of an INSURED'S PRODUCT or the failure to warn as to the use, operation or maintenance of an INSURED'S PRODUCT, the term "the same or substantially the same event, conditions, cause, defect or hazard or alleged defect or hazard or failure to warn or alleged failure to warn of such" shall mean any such design, formulation, manufacture, distribution, use, operation, maintenance, repair or failure to warn, as the case may be, from which such losses, PERSONAL INJURIES, PROPERTY DAMAGES or ADVERTISING OFFENSES directly or indirectly result;

(n) "OPERATIONS" means operations of the INSURED away from premises owned, rented or controlled by the INSURED and includes 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 INSURED under the contract have been completed;

(2) when all OPERATIONS to be performed by or on behalf of the INSURED at the site of the OPERATIONS have been completed; or

(3) when the portion of the work out of which the injury or damages arise has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing OPERATIONS for a principal as a part of the same project;

(o) "OTHER INSURANCE" means any other insurance available to the INSURED which, irrespective of the existence of this POLICY, indemnifies the INSURED for, or pays on behalf of the INSURED, DAMAGES or DEFENSE EXPENSES with respect to an OCCURRENCE for which DAMAGES or DEFENSE EXPENSES, depending on the amount(s) thereof, may be indemnifiable or payable under this POLICY; except OTHER INSURANCE does not include insurance under any policy or policies issued by the COMPANY or insurance under any policy or policies in which this POLICY is specifically scheduled as underlying insurance or under any policy which is scheduled in this POLICY as insurance in excess of this POLICY;

(p) "PER OCCURRENCE UNDERLYING AMOUNT" means the amount stated in Item 3 of the Declarations;

(q) "PERSONAL INJURY" means:

(1) bodily injury, shock, fright, mental injury, mental anguish, disability, sickness or disease sustained by any person, including death at any time resulting therefrom;

(2) 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 discrimination because of race, religion, age, sex or physical disability (unless insurance therefor is prohibited by law); and

(3) except with respect to injury occurring in the course of the 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;

(r) "POLICY" means all the terms of insurance issued by the COMPANY to the NAMED INSURED for the POLICY PERIOD set forth in Item 4 of the Declarations including the Application herefor, the Declarations and Schedules hereto and any Endorsements at any time endorsed hereon;

(s) "POLICY PERIOD" means the period set forth in Item 4 of the Declarations commencing with the Inception Date and terminating with the effective date of cancellation or the Expiration Date;

(t) "POLLUTANT" means any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance which may, does or is alleged to affect adversely the environment, property, persons or animals, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and WASTE;

(u) "PROPERTY DAMAGE" means:

(1) physical injury to or destruction of tangible property 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;

(v) "RETROACTIVE DATE" means the time and date stated in Item 5 of the Declarations or, with respect to any Potential Additional INSURED, the date provided for in paragraph (6) of Definition (j);

(w) "ULTIMATE NET LOSS" means the total sum which the INSURED shall become obligated to pay as DAMAGES and/or DEFENSE EXPENSES on account of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE, either by final judgment against the INSURED after trial or by settlement approved in writing by the COMPANY after making proper deduction for all recoveries and salvages collectible;

(x) "WASTE" means POLLUTANTS that are or are to be disposed of or stored for or as disposal, or are to be or are being recycled, reconditioned or reclaimed;

(y) "WATERCRAFT" means any ship or vessel of whatever type including, but not limited to, cargo vessels, passenger vessels, other vessels used for transport, towboats and barges, vessels used in the construction of pipelines, platforms or other facilities, storage vessels, tanker vessels, drill ships, offshore drilling platforms, drilling barges (including, without limitation, submersible drill barges, semi-submersible drill barges and self-elevating drill barges) and all other vessels of whatever nature and description, all whether or not self-propelled.

IN WITNESS WHEREOF, each of the members of the COMPANY has caused this POLICY to be signed on its behalf by the President and a Secretary of the COMPANY and countersigned on the Declarations Page by a duly authorized agent of the COMPANY.

Norma C. Colgan
Secretary

President

# Schedules

**A.** Subsidiaries or affiliates which form part of the NAMED INSURED — See Definition (j)(2)(B)

See Schedule A attached

**B.** Additional premiums for the EXTENDED REPORTING PERIOD — See Coverage (b)

| Year of Extended Reporting Period | Per Cent of Premium Stated in Item 6 of the Declarations | Year of Extended Reporting Period | Per Cent of Premium Stated in Item 6 of the Declarations |
|---|---|---|---|
| 1st year | 11 % | 4th year | 7 % |
| 2nd year | 9 % | 5th year | 6 % |
| 3rd year | 7 % | | |

**C.** COMPANY'S Short Rate Table — See Condition (q)

| Days Policy in Force | Per Cent of Premium Stated in Item 6 of the Declarations | Days Policy in Force | Per Cent of Premium Stated in Item 6 of the Declarations | Days Policy in Force | Per Cent of Premium Stated in Item 6 of the Declarations |
|---|---|---|---|---|---|
| 1 | 5% | 95– 98 | 37% | 219–223 | 69% |
| 2 | 6 | 99–102 | 38 | 224–228 | 70 |
| 3– 4 | 7 | 103–105 | 39 | 229–232 | 71 |
| 5– 6 | 8 | 106–109 | 40 | 233–237 | 72 |
| 7– 8 | 9 | 110–113 | 41 | 238–241 | 73 |
| 9–10 | 10 | 114–116 | 42 | 242–246 | 74 |
| 11–12 | 11 | 117–120 | 43 | 247–250 | 75 |
| 13–14 | 12 | 121–124 | 44 | 251–255 | 76 |
| 15–16 | 13 | 125–127 | 45 | 256–260 | 77 |
| 17–18 | 14 | 128–131 | 46 | 261–264 | 78 |
| 19–20 | 15 | 132–135 | 47 | 265–269 | 79 |
| 21–22 | 16 | 136–138 | 48 | 270–273 | 80 |
| 23–25 | 17 | 139–142 | 49 | 274–278 | 81 |
| 26–29 | 18 | 143–146 | 50 | 279–282 | 82 |
| 30–32 | 19 | 147–149 | 51 | 283–287 | 83 |
| 33–36 | 20 | 150–153 | 52 | 288–291 | 84 |
| 37–40 | 21 | 154–156 | 53 | 292–296 | 85 |
| 41–43 | 22 | 157–160 | 54 | 297–301 | 86 |
| 44–47 | 23 | 161–164 | 55 | 302–305 | 87 |
| 48–51 | 24 | 165–167 | 56 | 306–310 | 88 |
| 52–54 | 25 | 168–171 | 57 | 311–314 | 89 |
| 55–58 | 26 | 172–175 | 58 | 315–319 | 90 |
| 59–62 | 27 | 176–178 | 59 | 320–323 | 91 |
| 63–65 | 28 | 179–182 | 60 | 324–328 | 92 |
| 66–69 | 29 | 183–187 | 61 | 329–332 | 93 |
| 70–73 | 30 | 188–191 | 62 | 333–337 | 94 |
| 74–76 | 31 | 192–196 | 63 | 338–342 | 95 |
| 77–80 | 32 | 197–200 | 64 | 343–346 | 96 |
| 81–83 | 33 | 201–205 | 65 | 347–351 | 97 |
| 84–87 | 34 | 206–209 | 66 | 352–355 | 98 |
| 88–91 | 35 | 210–214 | 67 | 356–360 | 99 |
| 92–94 | 36 | 215–218 | 68 | 361–365 | 100 |

**D.** WATERCRAFT and risks not excluded under Exclusion (b).

1 Tug boat and 3 barges at Baltimore, MD plus watercraft listed on Schedule F of Peabody Holding Company application.

**AMERICAN EXCESS INSURANCE ASSOCIATION**
**SCHEDULE A**
**AFFILIATED COMPANIES FORMING A PART OF NAMED INSURED**
(Response to Item 4 of Application)

| Name of Affiliated Company | Description of Operations and Procedures |
|---|---|
| Peabody Holding Company | Holding Company |
| Genoa Dock Corporation | Joint Venture |
| Squaw Creek Coal Company | Joint Venture |
| Kayenta Mobile Home Park | Joint Venture |
| Tecumseh Coal Corporation | Joint Venture |
| Yaamba Oil Shale Joint Venture | Joint Venture |
| Yaamba Magnesite Joint Venture | Joint Venture |
| Rail to Water Transfer Corporation | Joint Venture |
| Yankeetown Dock Corporation | Joint Venture |
| Dominion Terminal Associates | Joint Venture |

# LIABILITY OF INSURERS ENDORSEMENT

**Endorsement Number 1.** Effective Date of Endorsement October 1st 1990

Attached to and forming part of POLICY Number HR000043990

NAMED INSURED Hanson Industries

It is hereby understood and agreed between the NAMED INSURED and the insurance companies listed below, which are the members of American Excess Insurance Association (referred to in the POLICY as "the COMPANY"), as follows:

(1) the insurance afforded by this POLICY is provided by the several separate insurance companies listed below (hereafter the "insurance companies") and not by the American Excess Insurance Association which is not an insurance company;

(2) the liability of the insurance companies shall be several and not joint. The liability of each insurance company shall be separate and apart from the liabilities of all other insurance companies and in no event shall any insurance company participate in the liability of any other insurance company;

(3) the maximum liability of all the insurance companies shall be the total of the percentage participations of such insurance companies as listed below, which total of percentage participations is 100 % of $75,000,000 ;

(4) each insurance company shall only be liable under the POLICY for the percentage, set opposite its name below, of any ULTIMATE NET LOSS; provided that:

(A) in the event that the total of the percentage participations of the insurance companies listed below is less than 100% of $ 75,000,000 , then, in respect of any ULTIMATE NET LOSS, irrespective of the amount thereof, the INSURED shall have no right of recovery under this POLICY for the uninsured percentage of such ULTIMATE NET LOSS, which uninsured percentage is the percentage by which such total of the percentage participations is less than 100%;

(B) in no event shall any insurance company pay more than the percentage set opposite its name of the amount stated in Item 2 of the Declarations as the COMPANY'S Limit of Liability;

(C) in the event that any insurance company for any reason whatsoever, including but not limited to the insolvency or financial impairment of such insurance company, is unable or refuses to indemnify any INSURED in respect of the percentage of any ULTIMATE NET LOSS for which such insurance company is liable, no other insurance company or companies shall be liable for such percentage and the INSURED shall have right of recovery of such percentage only from the insurance company which is so unable or so refuses.

| INSURANCE COMPANIES | PERCENTAGE PARTICIPATION |
|---|---|
| THE AETNA CASUALTY AND SURETY COMPANY | 16.33% |
| AMERICAN HOME ASSURANCE COMPANY | 7.50% |
| CONTINENTAL CASUALTY COMPANY | 7.50% |
| FEDERAL INSURANCE COMPANY | 8.83% |
| THE CONTINENTAL INSURANCE COMPANY | 7.50% |
| UNITED STATES FIRE INSURANCE COMPANY | 7.50% |
| GENERAL STAR NATIONAL INSURANCE COMPANY | 1.33% |
| THE HOME INSURANCE COMPANY | 1.33% |
| INSURANCE COMPANY OF NORTH AMERICA | 13.34% |
| MARYLAND CASUALTY COMPANY | 1.50% |
| NAC REINSURANCE CORPORATION | 1.50% |
| ROYAL INSURANCE COMPANY OF AMERICA | 4.00% |
| THE TRAVELERS INDEMNITY COMPANY | 13.34% |
| ZURICH INSURANCE COMPANY, U.S. BRANCH | 8.50% |

Clinton N. Greene President

Signature of Authorized Representative
Farmington Management, Inc.

AMERICAN EXCESS INSURANCE ASSOCIATION

POLLUTION EXCLUSION REVISION ENDORSEMENT

It is agreed that subparagraph (2)(D) of Exclusion (c) to the POLICY is amended to read as follows:

(D) PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE directly or indirectly arising out of the actual, alleged or threatened discharge, dispersal, release, seepage or escape of any POLLUTANT:

(i) into any underground water of watercourse; or

(ii) from any underground or underwater tank, piping or other container or any type;

unless the immediate cause of such discharge, dispersal, release, seepage or escape is unintended fire or explosion, or lightning, or collision or overturning of an AUTOMOBILE or railroad vehicle;

This Endorsement forms part of the POLICY to which it is attached, effective on the Inception Date of the POLICY unless otherwise stated herein.

(The information below is required only when this Endorsement is issued subsequent to preparation of the POLICY.)

Endorsement effective ____________________ Policy No. ____________________

Endorsement No. 2

NAMED INSURED

Countersigned by: ______________________________
(Authorized Representative)

AEIA-35

MANDATORY ENDORSEMENT

(For Use on Policies Issued In New York)

It is agreed that such insurance as is afforded by the Policy is amended as follows:

1. "Pay On Behalf Of" is substituted for "Indemnify" whenever such word appears in the Policy.

2. By the addition of "... or the licensed agent of the Company ..." after the word "... Company ..." in the seventh (7th) line of IV Condition (c) Notice of Occurrence or Claim.

3. IV condition (q) Cancellation is amended to read as follows:

"(q) Cancellation or Non-Renewal

This POLICY may be cancelled:

(1) at any time by the NAMED INSURED by delivering written notice to the COMPANY stating when cancellation shall be effective; or

(2) by the COMPANY by delivering written notice to the NAMED INSURED stating when, not less than ninety (90) days from the date notice was delivered, cancellation shall be effective; except, in the event of cancellation for nonpayment of premiums, such cancellation shall become effective fifteen (15) days after the date notice is delivered. Payment or tender of unearned premium is not a condition of cancellation. After the new or renewal POLICY has been in force for more than sixty (60) days, the POLICY may be cancelled by the COMPANY only if:

(a) required pursuant to a program approved by the Superintendent of Insurance of the State of New York as necessary because a continuation of the present premium volume would be hazardous to the interests of policyholders of the COMPANY, its creditors or the public, or

(b) the cancellation is based on one or more of the following reasons:

(A) Non-payment of premium,

(B) Conviction of a crime arising out of acts increasing the hazard insured against,

(C) Discovery of fraud or material misrepresentation in obtaining the POLICY or in the presentation of a claim thereunder,

(D) Discovery of willful or reckless acts or omissions increasing the hazard insured against,

(E) Physical changes in the property insured occurring after issuance or last annual anniversary date of the POLICY which result in the property becoming uninsurable in accordance with the COMPANY'S objective, uniformly applied underwriting standards in effect at the time the POLICY was issued or last voluntarily renewed, or

(F) A determination by the Superintendent of Insurance of the State of New York that the continuation of the POLICY would violate or would place the COMPANY in violation of the laws of the State of New York.

In the event the POLICY is non-renewed by the COMPANY, written notice of its intention to non-renew shall be delivered by the COMPANY to the NAMED INSURED at least sixty (60) days prior to the termination or renewal date of the POLICY. Such notice shall state the reasons for non-renewal. No increase in rates for such POLICY shall be imposed unless written notice of intention thereof is delivered to the NAMED INSURED at least sixty (60) days prior to the anniversary date of such POLICY.

Delivery by hand of such notice either by the NAMED INSURED or the COMPANY shall be sufficient delivery. Written notice shall be deemed sufficient delivery if sent by certified mail, return receipt requested, or by telex and receipt is acknowledged. The POLICY PERIOD shall end on the effective date and hour of cancellation stated in the notice.

In the event of cancellation by the INSURED, the premium retained by the COMPANY shall be calculated in accordance with the COMPANY'S short rate table which is attached hereto as Schedule C. In the event of cancellation by the COMPANY, the premium retained by the COMPANY shall be calculated pro-rata based upon the duration of the POLICY PERIOD.

For purposes of notice required under this condition (q) or pursuant to regulation, the offer by the COMPANY of renewal on terms or premiums different from those in effect during the POLICY PERIOD shall not constitute cancellation or non-renewal of this POLICY by the COMPANY."

4. The definition of (g) "DAMAGES" of V Definitions is amended to read as follows:

"DAMAGES" means damages on account of PERSONAL INJURY, PROPERTY DAMAGE or ADVERTISING OFFENSE, but "DAMAGES" do not include governmental, civil or criminal fines or penalties and "DEFENSE EXPENSES".

5. Subparagraph 2 of (q) "PERSONAL INJURY" is amended to read as follows:

"(2) injury arising out of the false arrest, detention or imprisonment, malicious prosecution, wrongful entry or eviction or other invasion of the right of private occupancy, or humiliation; and ..."

It is further agreed that as a consequence of this amendment, coverage for injury arising out of the discrimination is excluded and is not covered by the Policy.

A (second/XXXXX/XXXXXX/XXXXX) ANNUAL PERIOD shall incept on the Annual Expiration Date provided the NAMED INSURED gives written notice of election to continue the EXTENDED REPORTING PERIOD not less than ten (10) days prior to the Annual Expiration Date and pays to the COMPANY the applicable annual premium as set forth in Schedule B to the POLICY.

This endorsement forms a part of the POLICY to which attached, effective on the inception date of the POLICY unless otherwise stated herein.

(The information below is required only when this endorsement is issued subsequent to preparation of the POLICY.)

Endorsement effective 10/1/91 Policy No. HR000043990

Endorsement No. 4 Additional Premium $90,000

NAMED INSURED: Hanson Industries

Countersigned by: ______________________
(Authorized Representative)

AEIA-4

AMERICAN EXCESS INSURANCE ASSOCIATION

EXTENDED REPORTING PERIOD ENDORSEMENT

It is agreed that, the NAMED INSURED having, in accordance with Coverage (B) of the POLICY:

(1) elected to secure an EXTENDED REPORTING PERIOD for all INSURED(S) as is or are designated below; and

(2) paid to the COMPANY the applicable annual premium as set forth in Schedule B to the POLICY;

an EXTENDED REPORTING PERIOD shall incept for the ANNUAL PERIOD which commences at the Effective Date of this Endorsement, and shall expire at 12:01 A.M. on the day of October 1, 1992 ("Annual Expiration Date"). The terms and conditions of the policy and this Extended Reporting Period shall apply only to limits of $25,000,000 in the aggregate excess of a Per Occurrence Underlying amount of $25,000,000.

Designated INSURED(S):

1. Hanson Industries

2.

3.

4.

# American Excess Insurance Association

(This application to be used for applicants domiciled in New York State only)

**THIS IS A REPORTED OCCURRENCE POLICY WHICH CONTAINS CERTAIN FEATURES THAT ARE ANALOGOUS TO THE ONES FOUND IN CLAIMS MADE POLICIES. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

**"DEFENSE EXPENSES" ARE INCLUDED IN THE LIMITS OF LIABILITY OF THE POLICY AND ARE INCLUDED IN THE "PER OCCURRENCE UNDERLYING AMOUNT".**

This Policy Application must be completed in its entirety. When appropriate, questions herein may be answered by specific reference to Form 10K sections(s) or other material attached hereto.

1. (a) Name and Address of Applicant (To appear as Named Insured if policy is issued):

   Hanson Industries (Excluding Peabody Holding Company, Inc.)

   410 Park Avenue

   New York, NY 10022

   (b) State of Incorporation: ______

   (c) Effective Date of Coverage: October 1, 1990

2. Subsidiaries or affiliates of Applicant whose accounts are consolidated in the financial statements of the Applicant (attach list or make reference to listing in Form 10K or Annual Report of Applicant).

   See Exhibit # 1

3. If Applicant is foreign, attach list of subsidiaries or affiliates whose accounts would have been consolidated in accordance with generally accepted accounting principles in the United States.

4. List on Schedule A (to be attached to and form a part of the policy when issued) any other subsidiary, affiliate, associated company or joint venture to be insured.

5. If other than the Named Insured above shall represent all insureds in all matters under this policy (such as but not limited to: premium payment, negotiation of renewal terms, payment of claims), indicate name and address (to appear as Named Insured's representative if policy is issued):

N/A

6. Describe each joint venture in which the Applicant has an interest greater than 10% and/or which has assets in excess of $25,000,000:

| Project Name | Participant | Brief Description of Joint Venture |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

7. Attach a copy of the latest Annual Report and Form 10K (or the equivalent if not applicable) of the Applicant and each company listed on Schedule A for the most recent year.

8. Estimates of:

(a) Annual Payroll (in U.S. dollars)

1-USA $ 752,954,000. 2-Canadian $ 7,354,000. 3-Foreign $ 17,156,000.

(b) Annual Sales (in U.S. dollars)

1-USA $ 4,822,468,000. 2-Canadian $ 56,683,000. 3-Foreign $ 284,382,000.

Describe any "Inter-Company Sales" exceeding 10% of the total:

N/A

(c) Number of Employees

1-USA $ 39,737. 2-Canadian $ 282. 3-Foreign $ 2,575.

(d) 1. Annual Advertising Expenditure (in U.S. dollars)

$ __________

11. (a) Describe any non-owned, owned, leased or chartered watercraft or watercraft risks for which coverage is requested:

1- Tug Boat (Baltimore, MD)

3- Barges (Baltimore, MD)

(b) Describe any railroad exposures including details of any facilities/operations owned or operated (other than incidental sidings and premises grade crossings):

Incidental Side Track Agreements only

(c) Describe any intra-city light-rail exposure (e.g., subway, street car, etc.) for which coverage is requested: No known exposure

| Description of Operations | Number of Passenger Cars | Miles of Track | Number of Passengers Annually |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

(d) Describe any bus operations for which coverage is requested: No known exposure

| Description of Operations | Number of Buses | Miles Travelled | Number of Passengers Annually |
|---|---|---|---|
| Inter-city | | | |
| Intra-city | | | |
| School Buses | | | |
| Tours | | | |
| Other | | | |



3

GLD058908

0049-GLD-000058908

2. Type of media use and proportion of total expenditure on each

Magazines/Trade Journals-30%, Exhibits-10%; T.V.-10%

Radio-5%; Newspapers-10%; Promotional Literature-15%; other-20%

(e) If the Applicant has any exposure under the following, indicate payrolls:

1. Jones Act $132,000. (Code 7028)

2. Federal Employers Liability Act No Known Exposure

9. Automotive power units: (estimated total owned & leased by type)

(a) Private passenger 1,888 Trucks and Tractors 281

School buses 0 Taxi-Livery 0

(b) Type of cargo hauled (elaborate where inflammable/explosive substances hauled)

Insured's Own Products

(c) Give details of long haul (over 500 miles — one way) operations

Some Divisions (i.e. A & S, M W Mfg.,etc.)will, from time to time, haul their own good in excess of 500 miles.

10. Description of Operations:

(a) Describe any details of operations not otherwise contained in the attached Form 10K or annual report (e.g., occupancy type risks — number and size; construction type risks — tunnel and dam work — turnkey; utilities — dams; etc.):

See Exhibit # 1

(b) Describe any discontinued operations or sold entities for which coverage is required. Describe products and the disposition of product liability:

See Exhibit # 2

(c) Describe any areas of expected expansion, change, or new products in next 6 months:

Hanson has, and will continue to acquire, companies which fit into its major business segments, when the proper opportunity arises.

13. Attach a list or describe below the products manufactured, handled, distributed or sold or services performed under the following classifications:

| Classification | Description | Annual Sales Domestic $ | Annual Sales Foreign $ |
|---|---|---|---|
| (a) Aircraft and/or Aerospace Products or any material or substance supplied directly to or for the use by the Aircraft and/or Aerospace Industry | See Exhibit # 1 | | |
| (b) Pharmaceuticals — Medical (Submit lists of prescription and non-prescription medical care products) | | | |
| (c) Birth control drugs or devices | | | |
| (d) Chemical and petrochemicals | | | |
| (e) Nuclear energy | | | |
| (f) Pollution control devices | | | |
| (g) Other products, or major services performed | | | |

14. Real & Personal Property: (over $10,000,000 in value per location)

(a) Schedule locations of leased premises and indicate use and if Applicant is held harmless and/or named as an additional insured in landlords policy:

(b) Schedule locations where personal property of others is in Applicant's Care, custody or control. (e.g., Data Processing Equipment, Leased Machinery or Equipment, Goods for Storage or Processing, etc.):



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12. With respect to malpractice and professional liability exposures, state:

A. 1. Medical (incidental to other operations):

(a) Number of doctors employed: ______

(b) Number of nurses employed: ______

(c) If Hospital or Medical facilities are maintained by the Applicant, give location, number of beds, occupancy rate and other pertinent information: ______

N/A

(d) Do any patients, not employees of the Applicant, use the services of such doctors, nurses or hospitals? ______

N/A

Indicated percentage of non-employee patients ______

2. Medical (other than incidental): No known exposure

(a) List all hospitals or medical facilities showing location, number of beds and occupancy rate, outpatient visits:

No known exposure

(b) List nursing homes operated showing number of beds:

No known exposure

B. Non-medical (e.g., Architects, Engineers, Accountants, Lawyers, etc.). Describe extent to which such services are provided to third parties:

None known

20. Indicate any losses included on Schedule C which are caused by or alleged to be caused by pollution:

None

21. On Schedule D itemize and give details on all losses shown on Schedule C which exceed $1,000,000. (Paid, outstanding, and allocated expenses),

(a) caused by a single occurrence, and separately, See Exhibit # 4

(b) caused by any defect or hazard or alleged defect or hazard associated with insured's product or operations completed or abandoned by the Applicant.

22. If any of the losses on Schedules C or D have been handled or reserved amounts established through a service contract rather than by an insurance company for its own account, give details below. (Include name of individual or organization; if Applicant has self-administered his own losses, furnish information about individual(s) responsible for handling and their qualifications and procedures; if a claim audit has been made in the past year by an independent service, attach report).

Crawford & Co., C.S.S.C.

23. Is the Applicant aware of:

(a) any event or conditions which might reasonably be expected to give rise to a loss or liability in excess of $1,000,000?
Describe:

None known

(b) any defect or hazard or alleged defect or hazard associated with the Applicant's products or operations completed or abandoned by the Applicant which might reasonably be expected to give rise to a loss or liability in excess of $1,000,000 in aggregate?
Describe:

None known

24. Describe any ongoing investigations into the Applicant's products or operations by any governmental body:

None known



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15. Contractual/Hold Harmless/Indemnity Agreements — provide details of any which could reasonably be considered to be outside of the scope of those agreements normally entered into by the Applicant in the normal course of operations and any other such agreements which may be material to the Applicant's legal liability or where the sole negligence of the indemnity is assumed:

No known exposures outside of those which are normally entered into by the applicant.

16. Describe loss control and loss prevention measures which Applicant employs and would like the underwriter to consider. Attach a copy of the program if appropriate. Is the program self-administered? If administered by a service company or insurance company, name of administrator:

Various loss control services are utilized by Hanson to provide assistance, including Sedgwick James, Natlsco and self-administered programs.

17. List on Schedule B all liability insurance of the Applicant. List layered policies in: ascending order of attachment, including layers retained by Applicant:

18. As Respects Underlying Insurance (respond below or in additional comments column on Schedule B):

(a) Explain any exclusions to standard General Liability Policy coverage: Asbestos Exclusion, Hazardous Substances, Remedial Action Exclusion, Pollution Exclusion.

(b) Indicate deductibles, self-insured retentions, retrospective rating plans or other funding mechanisms in the amount of $1 million or more per occurrence/accident:

19. List on Schedule C a summary of losses by year (insured and uninsured) for the past 10 years by line of coverage, e.g.:

(a) Automobile Liability
(b) General Liability See Exhibit # 3
(c) Products and Completed Operations Liability
(d) Etc.

AMERICAN EXCESS INSURANCE ASSOCIATION

THE APPLICANT, BASED ON REASONABLE INQUIRY (INCLUDING BUT NOT LIMITED TO REASONABLE INQUIRY OF THE LEGAL AND RISK MANAGEMENT DEPARTMENTS OF THE APPLICANT), WARRANTS TO THE BEST OF ITS KNOWLEDGE AND BELIEF THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE AND THAT NO MATERIAL INFORMATION HAS BEEN WITHHELD. IT IS UNDERSTOOD THAT THE COMPANY MAY REQUEST ADDITIONAL INFORMATION WHICH, WHEN SUBMITTED, WILL BECOME PART OF THIS APPLICATION AND SUBJECT TO THE FOREGOING WARRANTY.

SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO ACCEPT INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE INSURANCE SHOULD A POLICY BE ISSUED.

BY SIGNING THIS APPLICATION, THE APPLICANT ACKNOWLEDGES THAT IT HAS RECEIVED THE ATTACHED SPECIMEN POLICY AND AGREES TO BE BOUND BY THE MANDATORY ARBITRATION PROVISION SHOULD A POLICY BE ISSUED.

THE APPLICANT FURTHER WARRANTS THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE INCEPTION DATE OF THE POLICY PERIOD, IT WILL IMMEDIATELY NOTIFY THE COMPANY.

THE APPLICANT FURTHER ACKNOWLEDGES THAT IT HAS RECEIVED INFORMATION FROM THE COMPANY DESCRIBING THE LIMITED SCOPE OF COVERAGE AND THE POTENTIAL COVERAGE GAPS INHERENT IN THE POLICY FORM. FURTHER, THE APPLICANT ACKNOWLEDGES THAT IT IS AWARE THAT THE LIMITS OF LIABILITY CONTAINED IN THE POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY "DEFENSE EXPENSES" AND, TO THE EXTENT THAT POLICY LIMITS ARE THEREBY EXCEEDED, THE COMPANY SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT. THE COMPANY HEREBY ADVISES THE APPLICANT OF ITS RIGHT, UPON WRITTEN REQUEST, TO AN ACCOUNTING OF "DEFENSE EXPENSES" ACTUALLY PAID BY THE COMPANY UNDER THIS POLICY.

NEW YORK LAW MANDATES THAT THE FOLLOWING WARNING BE GIVEN:

"ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME."

APPLICANT: Hanson Industries
(Type)

BY (OFFICER OF APPLICANT): Donald L. Schoenewolf
(Type)

(Signature)

TITLE: Director of Risk Management
(Type)

DATE: ____________
(Type)

(IMPORTANT: PRODUCER SIGNATURE REQUIRED ON THE NEXT PAGE)



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25. Additional Comments (optional)



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26. THE APPLICANT, BASED ON REASONABLE INQUIRY (INCLUDING BUT NOT LIMITED TO REASONABLE INQUIRY OF THE LEGAL AND RISK MANAGEMENT DEPARTMENTS OF THE APPLICANT), WARRANTS TO THE BEST OF ITS KNOWLEDGE AND BELIEF THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE AND THAT NO MATERIAL INFORMATION HAS BEEN WITHHELD. IT IS UNDERSTOOD THAT THE COMPANY MAY REQUEST ADDITIONAL INFORMATION WHICH, WHEN SUBMITTED, WILL BECOME PART OF THIS APPLICATION AND SUBJECT TO THE FOREGOING WARRANTY.

SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO ACCEPT INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE INSURANCE SHOULD A POLICY BE ISSUED.

BY SIGNING THIS APPLICATION, THE APPLICANT ACKNOWLEDGES THAT IT HAS RECEIVED THE ATTACHED SPECIMEN POLICY AND AGREES TO BE BOUND BY THE MANDATORY ARBITRATION PROVISION SHOULD A POLICY BE ISSUED.

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APPLICANT: Hanson Industries
(Type)

BY (OFFICER OF APPLICANT): Donald L. Schoenewolf
(Type)

Donald L. Schoenewolf
(Signature)

TITLE: Director of Risk Management DATE: September 13, 1990
(Type) (Type)

(IMPORTANT: PRODUCER SIGNATURE REQUIRED ON THE NEXT PAGE)

Submitted by (a duly authorized insurance producer representing a member of the Association):

Name of Firm: Sedgwick James of New England, Inc.
(Type)

Complete Mailing Address: 40 Broad Street
(Type)

Boston, MA 02109

Phone: 617-357-6600 Telex: Fax: 617-357-6754

Name of Authorized Representative: Joseph F. Zavagnin, Vice President
(Type)

Joseph Zavagnin
(Signature)

Association Member Represented:

**Producers domiciled in Delaware, Maryland, New Jersey, New York, Pennsylvania and Canada should return the completed application to:**

American Excess Insurance Association
Two World Trade Center
Suite 3870
New York, NY 10048
Phone Number: (212) 466-0097
Telex Number: 62943427 Fax Number: (212) 466-6303

**All other producers should return the completed application to:**

American Excess Insurance Association
RiverBend Executive Park
77 Hartland Street, Suite 400
East Hartford, CT 06108
Phone Number: (203) 528-2105
Telex Number: 62943426 Fax Number: (203) 282-9393



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**AMERICAN EXCESS INSURANCE ASSOCIATION**
**SCHEDULE A**
**AFFILIATED COMPANIES FORMING A PART OF NAMED INSURED**
(Response to Item 4 of Application)

| Name of Affiliated Company | Description of Operations and Procedures |
| --- | --- |

Exhibit # 1

15

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | TRACTORS |
|---|---|---|---|---|---|---|---|---|
| BULLDOG DIVISIONS | | | | | | | | |
| D. AMES CO | MANUFACTURERS AND DISTRIBUTORS OF A WIDE RANGE OF LAWN AND GARDEN TOOLS. | PARKERSBURG, WV<br>ELYRIA, OH<br>READING, PA | 112,276 | 23,316 | 838 | 287,366 | 55 | 11 |
| CARISBROOK | SUPPLIER OF DECORATOR PILLOWS, HASSOCKS, CUSHIONS AND CHAIR PADS. SPECIALITY TEXTILE MACHINERY FOR KNITTED FABRICS. QUALITY LACE PRODUCTS. HIGH QUALITY YARNS. | NEW YORK, NY<br>ANNISTON, AL<br>RICHMOND, VI<br>MOORESVILLE, NC<br>GLEN FALLS, NY<br>WOODSIDE, NY<br>CARYSBROOK, VI | 158,425 | 31,955 | 4,842 | 696,870 | 71 | 6 |
| ENDICOTT JOHNSON | MANUFACTURERS, RETAILERS, AND IMPORTERS OF SAFETY, SPORT AND CASUAL SHOES. | ENDICOTT, NY<br>JOHNSON CITY, NY<br>FORREST CITY, PA<br>TUNKHANNOCK, PA<br>FARMINGTON, MO<br>CARLYLE, IL<br>MILDRED, PA | 328,126 | 69,020 | 5,437 | 842,578 | 90 | 0 |
| HANSON CORPORATE | CORPORATE HEADQUARTERS | ISELIN, NJ | 0 | 10,200 | 169 | 35,748 | 20 | 0 |

..edgwick James

91

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| KAISER CEMENT | CEMENT, CLINKER, CONCRETE, AND AGGREGATE. | OAKLAND, CA<br>PERMANENTE, CA<br>SAN ANTONIO, TX | 112,244 | 10,597 | 271 | 468,351 | 41 | 9 |
| TOTAL BULLDOG | | | 711,071 | 145,088 | 11,557 | 2,330,913 | 277 | 26 |

Sedgwick James

L1

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| SINCLAIR DIVISIONS | | | | | | | | |
| A&S BUILDING SYSTEMS | PRE-ENGINEERED METAL BUILDING PARTS, AND COMPONENTS. | HOUSTON, TX<br>CARYVILLE, TN | 40,590 | 7,077 | 328 | 222,000 | 9 | 19 |
| ANDERSON-HICKEY | LATERAL AND VERTICAL FILING CABINETS, DESKS, COMPUTER WORK STATIONS, CREDENZAS, STORAGE CABINETS, MACHINE STANDS, BOOKCASES, CONFERENCE & WORK TABLES, WOOD CHAIRS AND CONTEMPORARY PLASTIC CHAIRS. | HENDERSON, TX<br>HALLS, TN | SEE OFFICE GROUP AMERICA | | | ????? | 6 | 8 |
| AXELSON | EQUIPMENT FOR THE PRODUCTION, PIPELINE AND PROCESSING SEGMENTS OF THE ENERGY BUSINESS. | LONGVIEW, TX<br>COL. SPRINGS, CO. | 47,440 | 13,052 | 446 | 501,497 | 177 | 0 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | TRACTORS |
|---|---|---|---|---|---|---|---|---|
| BAYLIS BROTHERS | HAND-SMOCKED DRESSES FOR GIRLS NEWBORN THROUGH SIZE 14(POLLY FLINDERS, PRINCESS ANNE,ENFANT COUTURE). | CINNINNATI, OH<br>BARBADOS, WI<br>ST. VINCENT, WI | 30,530 | 3,842 | 345 | 24,634 | 1 | 1 |
| BROWN MOULDING | LINEAL WOOD MOLDING, FINGER JOINTS, PRE-CUT CASTINGS AND JAMBS. | MONTEVALLO, AL<br>HOFFMAN, NC<br>LAKE MONROE, FL<br>SHREVESPORT, LA<br>LOUISVILLE, KY<br>ALBUQUERQUE, NM | 76,455 | 7,211 | 443 | 297,719 | 93 | 7 |
| COLUMBIA LIGHTING | SPEC GRADE FLUORESCEST LUMINAIRES FOR THE COMMERCIAL BUILDING MARKET | SPOKANE, WA<br>GREENSBORO, NC | SEE USI LIGHTING | | | 3,222 | 7 | 0 |
| DUKE CITY LUMBER | DEMENSION LUMBER,BOARDS, TIMBERS TREATED LUMBER AND SOLID, FINGER JOINT AND VINYL CLAD MOULDINGS | ALBUQUERQUE, NM<br>CUBA, NM<br>ESPANOLA, NM<br>WINSLOW, AZ<br>SPLENDORA, TX | 38,911 | 7,453 | 348 | 853,971 | 0 | 0 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| GEORGIA BOOT | BOOTS AND SHOES FOR THE WORK, OUTDOORS LEISURE AND WESTERN WEAR MARKETS(GEORGIA BOOT, NORTHLAKE, DURANGO BOOT AND DURANGO WEST). | FRANKLIN, TN<br>CHAPEL HILL, TN<br>CENTERVILLE, TN<br>BLAIRSVILLE, GA | 78,224 | 18,294 | 1,069 | 398,522 | 5 | 3 |
| HURON | VACUUM AND WATER FITTINGS, BRAZED AND WELDED ASSEMBLIES, SPACERS, PORT PLUGS, AUTOMOTIVE VALVES AND AIR PIPE FITTINGS. | LEXINGTON, MI | 26,332 | 8,542 | 469 | 391,280 | 8 | 4 |
| KEYSTONE LIGHTING | COMMERCIAL AND INDUSTRIAL FLUORESCENT LIGHTING FIXTURES. | BRISTOL, PA | SEE USI LIGHTING | | | 212,943 | 8 | 5 |
| LEON PLASTICS | MOLDED PLASTIC PARTS | GRAND RAPIDS, MI<br>ALDA, NB | 35,191 | 11,189 | 503 | 567,403 | 8 | 0 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| MASTERVIEW WINDOW | CONCRETE MASONARY UNITS AND ALUMINUM DOORS AND WINDOWS. | PHOENIX, AZ<br>TEMPE, AZ<br>WINONA, AZ | 38,911 | 2,068 | 101 | 234,679 | 28 | 2 |
| NW MFG. | WOOD WINDOW, FLUSH DOORS, BIFOLD DOORS, CURVED PLYWOOD AND ADHESIVES. | ROCKEY MOUNT, NC<br>FAYETTVILLE, NC<br>THOMASVILLE, NC<br>MIAMI, FL | 104,324 | 19,507 | 1,075 | 575,478 | 56 | 68 |
| NEVCO | PROMOTIONAL HOUSEWEARS | GARFIELD, NJ | 9,522 | 1,015 | 49 | 25,941 | 2 | 0 |
| OFFICE GROUP AMERICA | DIVISIONS: ANDERSON HICKEY, UNITED CHAIR | | 122,024 | 22,934 | 1,063 | SEE INDIVIDUAL DIVISIONS | | |
| PRESCOLITE | INDOOR AND OUTDOOR LIGHTING UTILIZING INCANDESCENT, HIGH INTENSITY DISCHARGE AND FLOURESCENT LIGHT SOURCES. DIMMING PRODUCTS | SAN LEANDRO, CA<br>CARROLTON, TX<br>EL DARADO, AR<br>PINE BROOK, NJ | SEE USI LIGHTING | | | 962,683 | 29 | 15 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| TETERS FLORAL<br>TETERS, LTD.<br>WINCO LIMITED | ARTIFICIAL POLYESTER FLOWERS, DRIED FLOWERS, TABLE AND WALL ARRANGEMENTS, CHRISTMAS DECORATIONS, MEMORIAL WREATHS AND SPRAYS. | BOLIVAR, MO<br>HONG KONG | 41,611 | 9,047 | 686 | 160,492 | 48 | 3 |
| UNITED CHAIR | LATERAL AND VERTICAL FILING CABINETS, DESKS, COMPUTER WORK STATIONS, CREDENZAS, STORAGE CABINETS, MACHINE STANDS, BOOKCASES, CONFERENCE & WORK TABLES, WOOD CHAIRS AND CONTEMPORARY PLASTIC CHAIRS. | HENDERSON, TX<br>HALLS, TN<br>LEEDS, AL<br>IRONDALE, AL | SEE OFFICE GROUP AMERICA | | | 305,497 | 12 | 2 |
| USI LIGHTING | DIVISIONS: COLUMBIA LIGHTING, KEYSTONE LIGHTING & PRESCOLITE | | 276022 | 18557 | 890 | SEE INDIVIDUAL DIVISIONS | | |
| OLD BAY COMPANY INC. | SEASONINGS | BALTIMORE, MD | 4,500 | 125 | | | 0 | 0 |
| PROCTOR-SCHWARTZ | INDUSTRIAL DRYING AND PROCESSING EQUIPMENT. | HOASHAM, PA | 29,933 | 7,337 | 280 | 134,255 | 11 | 0 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | TRACTORS |
|---|---|---|---|---|---|---|---|---|
| SCM CHEMICAL (PIGMENTS) | A WHITE INORGANIC PIGMENT (TITANIUM DIOXIDE) USED AS A WHITENER AND PACIFIER IN THE MANUFACTURER OF PAINTS, PAPER, PLASTICS AND RUBBER PRODUCTS | BALTIMORE, MD ASHTABULA,OH | 560,125 | 48,784 | 1,374 | 499,014 | 52 | 0 |
| SCM GLIDCO ORGANICS | PINE OILS, AROMA & FLAVORS, AND SPECIALITY SUBSTANCES BASED ONTERPENE, SILANE AND FLOURINE TECHNOLOGY | JACKSONVILLE, FL BRUNSWICK, GA GAINSVILLE, FL | 66,232 | 8,220 | 197 | 893,476 | 9 | 0 |
| SCM METALS | SPECIALITY FARROUS AND NON-FARROUS METALS, PRIMARILY COPPER. | RESEARCH TRIANGLE PARK, NC JOHNSTOWN, PA HAMMOND, IN | 58,607 | 8,300 | 259 | 138,888 | 8 | 0 |
| TOTAL SINCLAIR | | | 1,685,484 | 222,554 | 9,925 | 7,403,594 | 577 | 137 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| ARCHITECTURAL AREA LIGHTING (KIM) | OUTDOOR & LANDSCAPE LIGHTING, SECURITY & VANDALPROOF LIGHTING | LA MIRADA, CA | SEE KIM LIGHTING | | | | 2 | 0 |
| ARTESIANIAS BAJA (PROGRESS) | HANDCRAFTED INTERIOR AND EXTERIOR RESIDENTIAL LIGHTING FIXTURES & LAMPS. | TIUJUANA, BAJA CALIF., MX | SEE PROGRESS LIGHTING | | | | 1 | 4 |
| ASSOCIATED TESTING LABORATORIES (JADE) | ELECTRONIC TESTING, MILITARY & AEROSPACE QUALIFICATION TESTING, INDUSTRIAL TESTING, MARKETING RESEARCH, PACKAGE TESTING... | BURLINGTON, MA | 5,035 | 1,700 | 68 | 17,011 | 1 | 0 |
| BAYLESS STATIONERS | OFFICE SUPPLIES & STATIONERY, OFFICE FURNITURE, INFO & DATA PROCESSING SUPPLIER | CARSON, CA | 47,694 | 7,521 | 233 | 183,982 | 47 | 0 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| BEAR ARCHERY CO. | ARCHERY PRODUCTS, BOWS & ARROWS, OUTDOOR & CAMPING EQUIPMENT | GAINSVILLE, FL | 19,248 | 3,695 | 178 | 98,094 | 3 | 0 |
| BEARING INSPECTION | AIRCRAFT ENGINE BEARING INSPECTION & OVERHAUL; RELUBE, MANUFACTURE OF ELECTRONIC TEST EQUIPMENT. | SANTA FE SPRINGS, CA SAO PAULO, SAN PAULO, BRAZIL | 5,237 | 1,606 | 45 | 101,757 | 1 | 0 |
| BRIGHT STAR INDUSTRIES, INC. | BATTERIES, DRY CELL, FLASHLIGHTS & LANTERNS | CLIFTON, NJ | 12,885 | 3,229 | 147 | 49,674 | 14 | 0 |
| W.D.BYRON & SONS (GARDEN STATE TANNING) | SPECIALTY LEATHERS | WILLIAMSPORT, MD | SEE GARDEN STATE TANNING | | | | 7 | 4 |
| CHATAS GLASS | MICRO AND SEMIMICOR-INSTRUMENTS & APPARATUS, SCIENTIFIC & LABORATORY GLASS APPARATUS | VINELAND, NJ | 818 | 387 | 17 | 4,701 | 0 | 0 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| CONTINENTAL OFFICE SUPPLY | (See SCOTT RICE) | DALLAS, TX | 5,168 | 779 | | | 8 | |
| DOUGLAS RANDALL DIVISION (JADE) | ELECTRICAL & ELECTRONIC COILS, ELECTROMECHANICAL ASSEMBLIES, FREQUENCY RESPONSE SWITCHES, LOGIC MODULES, PROPORTIONAL CONTROLS, TRANSFORMERS... | PAWCATUCK, CT | 1,920 | 707 | 30 | 21,982 | 1 | 0 |
| EAN, INC. | (See JADE) | SKIPPACK, PA | 2,500 | INFO NOT LISTED INCL. W/ JADE C | | | 2 | 0 |
| THE ERTL COMPANY | AMT PLASTIC MODEL KITS,"BLUEPRINT MINIATURE" DIE-CAST TOYS, CHILDREN'S PHONOGRAPHS, CASSETTE PLAYERS AND RADIOS,RIDING TOYS, WALKIE TALKIES, STAMPED STEEL TOYS AND TRUCKS, ETC... | DYERSVILLE, IO | 102,893 | 17,068 | 832 | 226,488 | 32 | 6 |
| FARBERWARE | STAINLESS STEEL COOKWARE PRODUCTS WITH ALUMINUM CLAD BOTTOMS, TEA KETTLES, WOKS, MIXING BOWLS, TRAYS, COLANDERS, ETC... | BRONX, NY | 96,925 | 14,993 | 845 | 622,083 | 37 | 3 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| GARDEN STATE TANNING (BY-CHEM) | AIRCRAFT, AUTOMOBILE & FURNITURE LEATHERS, HANDBAG, BELT, AND SMALL LEATHER GOODS, SAFETY LEATHER GOODS (WELDERS' APRONS) | NEW YORK, NY<br>WILLIAMSPORT, MD | 162,902 | 27,911 | 1,495 | 1,482,739 | 8 | 4 |
| GREENWALD INDUSTRIES | COIN METER SYSTEMS: AMUSEMENT, CAR WASH, LAUNDRY, VENDING MACHINES, COIN MECHANISMS AND METERS, COIN BOXES AND SELECTOR SWITCHES. | BROOKLYN, NY | 16,989 | 4,580 | 206 | 119,518 | 6 | 0 |
| GROVE MFG. | (CRANE DIVISION) CARRIER MOUNTED, INDUSTRIAL, SELF-PROPELLED ROUGH TERRAIN HYDRAULIC CRANES, LATTICE CRANES<br>(MANLIFT) AERIAL WORK PLATFORMS<br>(SELF-PROPELLED) SCISSOR AND BOOM MODELS | SHADY GROVE, PA | 382,915 | 61,492 | 2,981 | 2,760,249 | 123 | 29 |
| HALKEY-ROBERTS | INFLATION SYSTEMS, VALVE ASSEMBLIES FOR LIFE VESTS, RAFTS, AND OTHER SURVIVAL PRODUCTS, MINATURE VALUES FOR DISPOSABLE MEDICAL PROD, PLASTICE VALVES (LIGHT SYSTEMS) DISPOSABLE AND REPLACEMENT BATTERY, FLASHLIGHTS PENLIGHTS FOR ADVERTISING SPECIALTY, INDUSTRIAL AND CONSUMER USE.<br>(SURVIVAL TECHNOLOGIES GROUP) DESIGN AND MANUFACTURE INFLATABLE MARINE RESCUE DEVICES, HARNESSES, TETHERS, AND OTHER HIGH TECH SURVIVAL EQUIPMENT. | ST. PETERSBURG, FL | 14,853 | 3,575 | 126 | 146,235 | 5 | 0 |

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| JACUZZI, INC. | DOMESTIC PUMPS AND WATER SYSTEMS, SWIMMING | LITTLE ROCK, AR | | | | | | |
| JACUZZI BROS. | POOL, EQUIPMENT, TURBINES AND CENTRIFUGALS, | LITTLE ROCK, AR | INCL. BELOW | 5,477 | 227 | 86,003 | 25 | 3 |
| JACUZZI WHIRLPOOL | WHIRLPOOL, BATHTUBS AND SPAS AND EQUIPMENT | REXDALE, ONT., CANADA | | | | | | |
| BATH | (JACUZZI GAS GRILL DIVISION) | WALNUT CREEK, CA | 123,649 | 11,700 | 619 | 832,313 | 47 | 0 |
| THE JADE CORP. | AUTOMATED PRODUCTION EQUIPMENT FOR | HUNTINGDON VALLEY, PA | 38,941 | 15,082 | 652 | 498,411 | 12 | 0 |
| | SEMICONDUCTOR ASSEMBLY, DESIGN & BUILD | TREVOSE, PA | | | | | | |
| | PROGRESSIVE CARBIDE TOOLING, ELECTRICAL | SOUTHAMPTON, PA | | | | | | |
| | DISCHARGE MACHINING, ETC. | | | | | | | |
| | (JADE INDUSTRIES) PRECISION STAMPING, SHEET METAL & ELECTRICAL ASSEMBLY | | | | | | | |
| | (JADE SYSTEMS) TAPE AUTOMATED BONDING EQUIPMENT IC PACKAGING, SOFTWARE DEVLPMNT. | | | | | | | |
| | (JADE TECHNOLOGIES) SEMICONDUCTOR LEADFRAME | ELK GROVE VILLAGE, IL | | | | | 2 | 0 |
| | STAMPING AND PLATING | SKIPPACK. PA | | | | | | |
| | (EAM, INC.) ELECTRO-MECHANICAL ASSEMBLIES AND PRECISION CONTRACT MACHINING | | | | | | | |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| JW LIGHTING, INC. | COMMERCIAL AND INDUSTRIAL LIGHTING FIXTURES (INTEGRALITE) SPECIALTY INDOOR ARCHITECTURAL LTG, (JET-PHILLIPS) INDOOR/OUTDOOR SERVICE STATION LTG (JPL LIGHTING) OUTDOOR COMMERCIAL & INDUSTRIAL LTG WRIGHT LIGHT (FLUORESCENT LTG FIXTURES COMM & INDSTRL | HOUSTON, TX | 18,000 | 1,726 | 107 | 158,628 | 2 | 1 |
| KEYSTONE LAMP MFG. CORP. | PORTABLE LAMPS | SLATINGTON, PA | 15,000 | 4,111 | | | 2 | 1 |
| KIM LIGHTING | CUSTOM ARCHITECTURAL FOUNTAINS, ENVIRONMENTAL LIGHTING, FOUNTAIN LIGHTING AND COMPONENTS, LANDSCAPE AND STREET LIGHTING | CITY OF INDUSTRY, CA | 41,098 | 6,796 | 298 | 308,381 | 4 | 0 |

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

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| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| MCQUIDDY OFFICE DESIGNS | (See SCOTT RICE) | TENNESSEE | 35,758 | 4,650 | 239 | 72,665 | 20 | 12 |
| NATIONAL CRANE | HYDRAULIC TELESCOPING AND ARTICULATING CRANES. | WAVERLY, NB | 52,019 | 9,117 | 431 | 173,972 | 9 | 9 |
| NEW JERSEY OFFICE SUPPLY | OFFICE STATIONERY AND SUPPLIES, DATA PROCESSING FORMS AND SUPPLIES, COMMERCIAL OFFSET AND LETTER PRESS PRINTING, CARBONIZED BUSINESS FORMS, OFFICE FURNITURE AND INTERIOR DESIGN SERVICE<br>DAVID APPEL OFFICE EQUIP. & STATIONERY<br>BUSINESS PRODUCTS<br>DRESHER BROTHERS<br>STEWART OFFICE SUPPLIES<br>TREHER OFFICE PRODUCTS | WHIPPANY, NJ | 161,571 | 23,951 | 861 | 641,960 | 86 | 17 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| PIEDMONT MOULDING | MANUFACTURING AND IMPORTERS OF WOOD PICTURE FRAME MOULDING, READY MADE PICTURE FRAMES; HARDWARE, EQUIPMENT AND ACCESSORIES FOR PICTURE FRAMES. | CONYERS, GA | 7,100 | 1,683 | 110 | 92,293 | 9 | 1 |
| PROGRESS LIGHTING | RESIDENTIAL AND COMMERCIAL LIGHTING FIXTURES, INTERIOR AND EXTERIOR, CHANDELIERS, DINETTES, WALLS, SCONCES, HALL AND FOYER FIXTURES, ETC... | COWPEN, SC | 119,361 | 29,026 | 1,024 | 960,274 | 6 | 3 |
| REXAIR INC. | VACUUM CLEANERS | TROY, MI | 68,789 | 11,230 | 382 | 361,879 | 6 | 0 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

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|---|---|---|---|---|---|---|---|---|
| ROSS-MARTIN | FORMS MANAGEMENT SERVICES, BUSINESS FORMS | TULSA, OK | 24,541 | 4,872 | 310 | 135,091 | 23 | 2 |
| SCHWABACHER/FREY | OFFICE SUPPLIES & OFFICE FURNITURE | EMERYVILLE, CA | 27,666 | 4,356 | 169 | 91,855 | 19 | 0 |
| SCOTT RICE | OFFICE DESIGN, FURNITURE, SUPPLIES<br>(CONTINENTAL OFFICE SUPPLY)<br>(KRAFTBILT)<br>(MCQUIDDY OFFICE DESIGNERS) | TULSA, OK<br>DALLAS, TX<br>TULSA, OK<br>NASHVILLE, TN | 69,252 | 6,684 | 327 | 101,023 | 69 | 0 |
| SPARTUS | DECORATOR AND KITCHEN CLOCKS, ALARM CLOCKS, WALTHAM CLOCKS, CLOCK RADIOS, PORTABLE RADIOS, TELEVISIONS (B&W) | SKOKIE, IL | 85,500 | 9,987 | 626 | 123,510 | | |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

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|---|---|---|---|---|---|---|---|---|
| SPAULDING LIGHTING | OUTDOOR LIGHTING PRODUCTS FOR SPECIALIZED COMMERCIAL AND OUTDOOR USES, INDOOR INDIRECT AMBIENT AND TASK LIGHTING | CINCINNATI, OH | 36,848 | 4,946 | 221 | 60,302 | 41 | 1 |
| SUNSET/RICHARDS | CERAMIC, BRASS, AND WOOD LAMPS AND ARTWARE | CITY OF COMMERCE, CA | 12,000 | 3,212 | 157 | 167,614 | 2 | 2 |
| TOMMY ARMOUR GOLF CO. | GOLF CLUBS, BALLS, BAGS, APPAREL, ACCESSORIES | NORTON GROVE, IL | 39,948 | 6,165 | 214 | 97,598 | 1 | 0 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| TUCKER HOUSEWARES | PLASTIC HOUSEWARES, TRASH CONTAINERS, WASTE BASKETS, LAUNDRY BASKETS, KITCHEN & SINK ITEMS, STORAGE CONTAINERS, BEVERAGE SETS, ETC. | LEOMINSTER, MA | 123,055 | 17,349 | 794 | 1,155,400 | 9 | 9 |
| (AMS INDUSTRIES) | BLOW MOLDED PLASTIC TRASH CONTAINERS AND STORAGE CONTAINERS | WORCHESTER, MA | | | | | | |
| UNIVERSAL GYM EQUIPMENT | PHYSICAL CONDITIONING EQUIPMENT, EXERCISE BICYCLES, COMPUTERIZED ROWING MACHINES, COMPUTERIZED TREADMILLS, MOTORIZED AND MANUAL MEDICAL EVALUTION AND REHABILITATION EQUIPMENT | CEDAR RAPIDS, IA | 31,651 | 7,172 | 313 | 142,493 | 17 | 0 |
| THE VALLEY COMPANY | COIN OPERATED POOL TABLES, CUES AND ACCESSORIES, FURNITURE, OFFICE & HOME, POOL TABLES | BAY CITY, MI | 26,785 | 4,301 | 238 | 93,185 | 3 | 1 |
| WEBER AIRCRAFT | AIRCRAFT COMPONENTS, ATTENDANT SEATS, AUTOMATIC LAP BELT, BUFFET INSERT EQUIPMENT, CARGO FLOOR SYSTEMS, COAT ROOMS, COFFE MAKERS AND OVENS, CREW SEATS AND ESCAPE SYSTEMS, INTEGRAL BOARDING STAIRS, ETC... | BURBANK, CA | 156,612 | 6,347 | 1,023 | 2,293,702 | 15 | 0 |
| TOTAL MAJOR | | | 2,193,126 | 349,183 | 16,545 | 14,483,065 | 727 | 112 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMP. | INSURED STANDARD PREMIUM | PROJECTED # AUTOS PP/TRUCKS | PROJECTED # AUTOS TRACTORS |
|---|---|---|---|---|---|---|---|---|
| TOTAL HANSON INDUSTRIES | | | 4,589,681 | 716,825 | 38,027 | 24,217,572 | 1,581 | 275 |

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HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMPLOYEES | INSURED STANDARD PREMIUM | PROJECTED # AUT PP/TRUCKS | TRAILERS |
|---|---|---|---|---|---|---|---|---|
| DISCONTINUED OPERATIONS | | | | | | | | |
| HYGRADE FOOD PRODUCTS | FRANKFURTERS, PLUS A WIDE VARIETY OF PROCESSED MEATS, SUCH AS BACON, SMOKED SAUSAGES, PRESSED/SEMI-BONELESS/BONELESS HAMS AND BOLOGNA UNDER THE TRADE NAME "WEST VIRGINIA" AND OTHER TRADE NAMES. | DETROIT, MI<br>TACOMA, WA<br>CHICAGO, ILL<br>BALTIMORE, MD<br>LAVONIA, MI<br>PHILADELPHIA, PA | 250,000 | 21,847 | | | 36 | |
| THE GROUND ROUND | RESTAURANTS | 178 LOCATIONS<br>30 OWNED<br>148 LEASED | 245,000 | 61,198 | | | 38 | |
| ENCINO SHIRT | SWEATER SHIRTS, MEN'S & BOY'S CUT & SEW KNITS, LADIES' WEAR | CONCORD, NC<br>MT. PLEASENT, NC<br>FAIRMONT, NC<br>MOULTON, AL | 17,000 | 4,948 | | | 7 | |
| RAU FASTENER | METAL SNAP FASTENERS, EYELETS, BUCKLES, AND OTHER MENTAL CLOSURES. | PROVIDENCE, RI<br>MONTREAL, QUE | 12,173 | 5,154 | | | 17 | |
| BALTIMORE SPICE | SPICES, HORS D'OEUVRES | BALTIMORE, MD | 52,069 | 9,246 | 365 | | 31 | 1 |

THE FOLLOWING DIVISIONS ARE TO BE SOLD PRIOR TO 10/1/90. IN THE EVENT THAT THE DIVESTITURES DO NOT TAKE PLACE , THESE DIVISIONS MUST BE ADDED TO THE PROGRAM.

ʼdgwick James

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMPLOYEES | INSURED STANDARD PREMIUM | PROJECTED # AUT PP/TRUCKS | TRAILERS |
|---|---|---|---|---|---|---|---|---|
| DURKEE INDUSTRIAL | SPICES, SEASONINGS, EDIBLE OILS, DOUGH COATINGS, CONFECTIONARY COATINGS. | CLEVELAND, OH<br>BALTIMORE, MD<br>BETHLEHAM, PA<br>SHARONVILLE, OH | 237,300 | 22,885 | | | 174 | |
| SMITH CORONA | PORTABLE TYPEWRITERS, SUPPLIES AND ACCESSORIES | CORTLAND, NY<br>GENEVA, NY<br>NEW CANAAN, CT | 263,100 | 49,912 | | | 89 | |
| ATLANTIC CONTRACT CARRIERS | CARRIERS | SCRANTON, PA | 5,730 | 1,488 | 54 | 235,538 | 0 | 6 |
| CRAIG SYSTEMS | MOBILE SHELTERS & VANS, SHELTER HANDLING EQUIPMENT AND SHOCK ISOLATING SYSTEMS, EQUIPMENT PALLETS & TRANSIT FRAMES (ASSOCIATED ENVIRONMENTAL SYSTEMS DIVISION) | AMESBURY, MA | 14,750 | 6,651 | | | 1 | |
| DEVINE LIGHTING | CAST & EXTRUDED ALUMINUM LTG FIXTURES, AREA LTG, ARCHITECTURAL DECORATIVE LTG, ENVIRONMENTAL LTG, EMERGENCY LTG, EXIT LIGHT FIXTURES... | KANSAS CITY, MO | 11,450 | 1,458 | | | 0 | |
| DURA STEEL | APARTMENT HOUSE MAILBOXES, LIGHTING FIXTURES, FIXTURES, MEDICINE CABINETS, MIRRORS, RANGEHOODS, CULTURED MARBLE, CULTURED ONYX & LYTON(TM) BATHTUBS... | SANTA FE SPRINGS, CA | 12,500 | 2,903 | | | 6 | |

Sedgwick James

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMPLOYEES | INSURED STANDARD PREMIUM | PROJECTED # AUT PP/TRUCKS | TRAILERS |
|---|---|---|---|---|---|---|---|---|
| FASHION, INC. | RESIDENTIAL & COMMERCIAL METAL AWNINGS, CARPORTS, PATIO COVERS, BUILDING FACING AND FACADES, MARQUEES, SERVICE STATION CANOPIES, RESTAURANT DRIVE CANOPIES ETC... | LENEXA, KS | 8,900 | 1,750 | | | 6 | |
| ISLES INDUSTRIES | HORIZONTAL & VERTICAL LAMINAR-FLOW BENCHES AND LAMINAR-FLOW TUNNELS, CARTS: CABINET, MATERIALS HANDLING CONVEYOR SYSTEMS FOR ELECTRONIC ASSEMBLY (WEBER TECHNICAL PRODUCTS) CLEAN AIR MODULES, LAMINAR FLOW SURGICAL ISOLATORS & WORK BENCHES. | BREA, CA | 6,580 | 1,700 | | | 2 | |
| KENT | BATHROOM ACCESSORIES, BATHROOM CABINETS, VANITY CABINETS & LIGHTING FIXTURES, MIRRORS. | BELLEVUE, KY | 7,800 | 2,421 | | | 3 | |
| KIDDE CONSULTANTS | COMPLETE ENGINEERING, PLANNING & FIELD SERVICES, URBAN, REGIONAL AND DEVELOPMENT PLANNING, CIVIL, ELECTRICAL, ENVIRONMENTAL, MECHANICAL, STRUCTURAL, TRANSPORTATION ENGINEERING | BALTIMORE, MD<br>MINNEAPOLIS, MN | 39,848 | 20,389 | | | 177 | |
| KIDDE-KCDC (CONSUMER DIV.) | ADMINISTRATION | PENNSYLVANIA | 0 | N/A | | | 3 | |

dgwick James

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMPLOYEES | INSURED STANDARD PREMIUM | PROJECTED # AUT PP/TRUCKS TRAILERS |
|---|---|---|---|---|---|---|---|
| KIDDE CREDIT | FINANCING FOR DISTRIBUTOR PURCHASES OF KIDDE PRODUCTS | HAGERSTOWN, MD<br>MISSISSAUGA, ONTARIO, CANADA | 6,585 | 810 | | | 3 |
| KIDDE RECREATION PRODUCTS | SALESMEN | NORTHBROOK, IL | 0 | 74 | | | 1 |
| MARVIN ELECTRIC MANUFACTURING | RECESSED LIGHTING FIXTURES; COMPLETE LINE OF VANDALPROOF FIXTURES, SINGLE AND 3-CIRCUIT TRACK FOR USE WITH 120 VOLT SUPPLY, AND LOW VOLTAGE LUMINARES UTILIZING MR16 LAMP | LOS ANGELES, CA | 31,183 | 5,244 | | | 7 |
| NEWPORT PLASTICS | AIRCRAFT, COMMERCIAL AND CUSTOM SEAT COVERS, CUSTOM MOLDED FIBERGLASS, CUSTOM MOLDED INTEGRAL SKIN URETHANE FOAM, HONEYCOMB CORE PANELS, PRECISION MOLDED PRODUCTS, PRECISION SEWING | NEWPORT, VT | 2,400 | 1,423 | | | 2 |
| SHADECO, INC. | LAMP SHADES | TELFORD, PA | N/A | 334 | | | 0 |
| THEURER, INC. | TRUCK TRAILERS, CARGO CONTAINERS AND CHASSIS | NEWARK, NJ | 25,000 | 3,259 | | | 43 |
| TOSE-FOWLER | FREIGHT CARRIER | SCRANTON, PA | 28,505 | 13,559 | | | 136 |

'dgwick James

HANSON INDUSTRIES
DESCRIPTION OF OPERATIONS

| OPERATION | PRODUCT LINES | MAJOR LOCATIONS | PROJECTED 90/91 SALES (000'S) | PROJECTED 90/91 PAYROLL (000'S) | # EMPLOYEES | INSURED STANDARD PREMIUM | PROJECTED # AUT PP/TRUCKS | TRAILERS |
|---|---|---|---|---|---|---|---|---|
| KEYSTONE LAMP MFG. CORP. | PORTABLE LAMPS | SLATINGTON, PA | 15,000 | 4,111 | | | 2 | 1 |

Sedgwick James

EXHIBIT # 5

HANSON INDUSTRIES
ACTIVE LOSS SUMMARY

| | AL | GL | PR | TOTAL |
|---|---|---|---|---|
| 85-86 | 978,753 | 1,378,235 | 6,228,733 | 8,585,721 |
| 86-87 | 721,743 | 357,178 | 5,244,885 | 6,323,806 |
| 87-88 | 1,189,498 | 201,549 | 2,104,502 | 3,495,549 |
| 88-89 | 841,472 | 337,047 | 1,530,958 | 2,709,477 |
| 89-90 | 380,649 | 928,170 | 454,429 | 1,763,248 |
| | 4,112,115 | 3,202,179 | 15,563,507 | 22,877,801 |

HANSON INDUSTRIES
DISCONTINUED LOSS SUMMARY

| | | | | |
|---|---|---|---|---|
| 85-86 | 1,133,738 | 558,422 | 6,763,313 | 8,455,473 |
| 86-87 | 570,358 | 1,164,150 | 948,092 | 2,682,600 |
| 87-88 | 271,773 | 221,242 | 624,099 | 1,117,114 |
| 88-89 | 204,290 | 72,992 | 78,996 | 356,278 |
| 89-90 | 97,829 | 12,300 | 95,250 | 205,379 |
| | 2,277,988 | 2,029,106 | 8,509,750 | 12,816,844 |

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# American Excess Insurance Association

(This application to be used for applicants domiciled in New York State only)

**THIS IS A REPORTED OCCURRENCE POLICY WHICH CONTAINS CERTAIN FEATURES THAT ARE ANALOGOUS TO THE ONES FOUND IN CLAIMS MADE POLICIES. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

**"DEFENSE EXPENSES" ARE INCLUDED IN THE LIMITS OF LIABILITY OF THE POLICY AND ARE INCLUDED IN THE "PER OCCURRENCE UNDERLYING AMOUNT".**

This Policy Application must be completed in its entirety. When appropriate, questions herein may be answered by specific reference to Form 10K sections(s) or other material attached hereto.

1. (a) Name and Address of Applicant (To appear as Named Insured if policy is issued):

   Peabody Holding Company

   301 North Memorial Drive

   St. Louis, Missouri 63166

   (b) State of Incorporation: __________

   (c) Effective Date of Coverage: 10/1/90

2. Subsidiaries or affiliates of Applicant whose accounts are consolidated in the financial statements of the Applicant (attach list or make reference to listing in Form 10K or Annual Report of Applicant).

   See Exhibit A

3. If Applicant is foreign, attach list of subsidiaries or affiliates whose accounts would have been consolidated in accordance with generally accepted accounting principles in the United States.

4. List on Schedule A (to be attached to and form a part of the policy when issued) any other subsidiary, affiliate, associated company or joint venture to be insured.

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5. If other than the Named Insured above shall represent all insureds in all matters under this policy (such as but not limited to: premium payment, negotiation of renewal terms, payment of claims), indicate name and address (to appear as Named Insured's representative if policy is issued):

Mr. Donald L. Schoenewolf

Director of Risk Management

Hanson Industries

99 Wood Avenue South

Iselin, New Jersey 08830

6. Describe each joint venture in which the Applicant has an interest greater than 10% and/or which has assets in excess of $25,000,000:

| Project Name | Participant | Brief Description of Joint Venture |
|---|---|---|
| | See Exhibit A | |

7. Attach a copy of the latest Annual Report and Form 10K (or the equivalent if not applicable) of the Applicant and each company listed on Schedule A for the most recent year.

8. Estimates of:

(a) Annual Payroll (in U.S. dollars)

1-USA $ 480,000,000 2-Canadian $ 0 3-Foreign $ Inc'l.

(b) Annual Sales (in U.S. dollars)

1-USA $ 1,785,800,000 2-Canadian $ 0 3-Foreign $ 135,500,000

Describe any "Inter-Company Sales" exceeding 10% of the total:

(c) Number of Employees

1-USA $ 11,107 2-Canadian $ 0 3-Foreign $ 2

(d) 1. Annual Advertising Expenditure (in U.S. dollars)

$ 61,000



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2. Type of media use and proportion of ~~...~~ expenditure on each

Publications and Public Television News - 100%

(e) If the Applicant has any exposure under the following, indicate payrolls:

1. Jones Act 0

2. Federal Employers Liability Act None, Peabody does not have any F.E.L.A. Payroll. Railroad Crews are compensated under regular mine payrolls. Est. payroll is $2,000,000.

9. Automotive power units: (estimated total owned & leased by type)

(a) Private passenger 116 Trucks and Tractors 228

School buses 0 Taxi-Livery 0

(b) Type of cargo hauled (elaborate where inflammable/explosive substances hauled) Very limited hauling of Ammonium Nitrate or other inflammable materials and such hauling is almost entirely within Peabody premises.

(c) Give details of long haul (over 500 miles — one way) operations

Peabody hauling is usually within 50 miles. Almost all hauling over 50 miles is done by contract haulers.

10. Description of Operations:

(a) Describe any details of operations not otherwise contained in the attached Form 10K or annual report (e.g., occupancy type risks — number and size; construction type risks — tunnel and dam work — turnkey; utilities — dams; etc.):

See Schedule E

(b) Describe any discontinued operations or sold entities for which coverage is required. Describe products and the disposition of product liability:

(c) Describe any areas of expected expansion, change, or new products in next 6 months:



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GLD058949

0049-GLD-000058949

11. (a) Describe any non-owned, owned, leased or chartered watercraft or watercraft risks for which coverage is requested:

See Schedule "F"

See Schedule "G"

(b) Describe any railroad exposures including details of any facilities/operations owned or operated (other than incidental sidings and premises grade crossings):

See Schedule "H"

(c) Describe any intra-city light-rail exposure (e.g., subway, street car, etc.) for which coverage is requested: No known exposure.

| Description of Operations | Number of Passenger Cars | Miles of Track | Number of Passengers Annually |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

(d) Describe any bus operations for which coverage is requested: No known exposure.

| Description of Operations | Number of Buses | Miles Travelled | Number of Passengers Annually |
|---|---|---|---|
| Inter-city | | | |
| Intra-city | | | |
| School Buses | | | |
| Tours | | | |
| Other | | | |



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12. With respect to malpractice and professional liability exposures, state:

A. 1. Medical (incidental to other operations):

(a) Number of doctors employed: 0

(b) Number of nurses employed: 1

(c) If Hospital or Medical facilities are maintained by the Applicant, give location, number of beds, occupancy rate and other pertinent information:

One nurse station.

(d) Do any patients, not employees of the Applicant, use the services of such doctors, nurses or hospitals?

No known exposure.

Indicated percentage of non-employee patients N/A

2. Medical (other than incidental): No known exposure.

(a) List all hospitals or medical facilities showing location, number of beds and occupancy rate, outpatient visits:

No known exposure.

(b) List nursing homes operated showing number of beds:

No known exposure.

B. Non-medical (e.g., Architects, Engineers, Accountants, Lawyers, etc.). Describe extent to which such services are provided to third parties:

No known exposure.



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13. Attach a list or describe below the products manufactured, handled, distributed or sold or services performed under the following classifications:

| Classification | Description | Annual Sales Domestic $ | Annual Sales Foreign $ |
|---|---|---|---|
| (a) Aircraft and/or Aerospace Products or any material or substance supplied directly to or for the use by the Aircraft and/or Aerospace Industry | None | | |
| (b) Pharmaceuticals — Medical (Submit lists of prescription and non-prescription medical care products) | None | | |
| (c) Birth control drugs or devices | None | | |
| (d) Chemical and petrochemicals | None | | |
| (e) Nuclear energy | None | | |
| (f) Pollution control devices | None | | |
| (g) Other products, or major services performed | Coal<br>Ammonium Nitrate | 1,764,500,000<br>18,500,000 | 135,500,000 |

14. Real & Personal Property: (over $10,000,000 in value per location)

(a) Schedule locations of leased premises and indicate use and if Applicant is held harmless and/or named as an additional insured in landlords policy:

(b) Schedule locations where personal property of others is in Applicant's Care, custody or control. (e.g., Data Processing Equipment, Leased Machinery or Equipment, Goods for Storage or Processing, etc.):



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15. Contractual/Hold Harmless/Indemnity Agreements — provide details of any which could reasonably be considered to be outside of the scope of those agreements normally entered into by the Applicant in the normal course of operations and any other such agreements which may be material to the Applicant's legal liability or where the sole negligence of the indemnity is assumed:

Coal supply and other Agreements often require Peabody's indemnification of other party for losses arising from Peabody's operations. These contracts normally require the other party to assume responsibility for their own actions.

16. Describe loss control and loss prevention measures which Applicant employs and would like the underwriter to consider. Attach a copy of the program if appropriate. Is the program self-administered? If administered by a service company or insurance company, name of administrator:

See Schedule "I"

17. List on Schedule B all liability insurance of the Applicant. List layered policies in: ascending order of attachment, including layers retained by Applicant:

See Schedule "B"

18. As Respects Underlying Insurance (respond below or in additional comments column on Schedule B):

(a) Explain any exclusions to standard General Liability Policy coverage:

Subsidence is excluded from primary CGL, but included in Excess Liability coverage.

(b) Indicate deductibles, self-insured retentions, retrospective rating plans or other funding mechanisms in the amount of $1 million or more per occurrence/accident:

See Schedule "I"

19. List on Schedule C a summary of losses by year (insured and uninsured) for the past 10 years by line of coverage, e.g.:

(a) Automobile Liability
(b) General Liability
(c) Products and Completed Operations Liability
(d) Etc.

See Schedule "C"

20. Indicate any losses included on Schedule C which are caused by or alleged to be caused by pollution:

No pollution losses contained in Schedule "C".

21. On Schedule D itemize and give details on all losses shown on Schedule C which exceed $1,000,000. (Paid, outstanding, and allocated expenses),

(a) caused by a single occurrence, and separately,

(b) caused by any defect or hazard or alleged defect or hazard associated with insured's product or operations completed or abandoned by the Applicant.

22. If any of the losses on Schedules C or D have been handled or reserved amounts established through a service contract rather than by an insurance company for its own account, give details below. (Include name of individual or organization; if Applicant has self-administered his own losses, furnish information about individual(s) responsible for handling and their qualifications and procedures; if a claim audit has been made in the past year by an independent service, attach report).

Subsidence claims - See Schedule "J"

23. Is the Applicant aware of:

(a) any event or conditions which might reasonably be expected to give rise to a loss or liability in excess of $1,000,000?
Describe:

(b) any defect or hazard or alleged defect or hazard associated with the Applicant's products or operations completed or abandoned by the Applicant which might reasonably be expected to give rise to a loss or liability in excess of $1,000,000 in aggregate?
Describe:

24. Describe any ongoing investigations into the Applicant's products or operations by any governmental body:

25. Additional Comments (optional)

Refer to Schedules "K", "L", "M", "N", "O"



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26. THE APPLICANT, BASED ON REASONABLE INQUIRY (INCLUDING BUT NOT LIMITED TO REASONABLE INQUIRY OF THE LEGAL AND RISK MANAGEMENT DEPARTMENTS OF THE APPLICANT), WARRANTS TO THE BEST OF ITS KNOWLEDGE AND BELIEF THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE AND THAT NO MATERIAL INFORMATION HAS BEEN WITHHELD. IT IS UNDERSTOOD THAT THE COMPANY MAY REQUEST ADDITIONAL INFORMATION WHICH, WHEN SUBMITTED, WILL BECOME PART OF THIS APPLICATION AND SUBJECT TO THE FOREGOING WARRANTY.

SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO ACCEPT INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE INSURANCE SHOULD A POLICY BE ISSUED.

BY SIGNING THIS APPLICATION, THE APPLICANT ACKNOWLEDGES THAT IT HAS RECEIVED THE ATTACHED SPECIMEN POLICY AND AGREES TO BE BOUND BY THE MANDATORY ARBITRATION PROVISION SHOULD A POLICY BE ISSUED.

THE APPLICANT FURTHER WARRANTS THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE INCEPTION DATE OF THE POLICY PERIOD, IT WILL IMMEDIATELY NOTIFY THE COMPANY.

THE APPLICANT FURTHER ACKNOWLEDGES THAT IT HAS RECEIVED INFORMATION FROM THE COMPANY DESCRIBING THE LIMITED SCOPE OF COVERAGE AND THE POTENTIAL COVERAGE GAPS INHERENT IN THE POLICY FORM. FURTHER, THE APPLICANT ACKNOWLEDGES THAT IT IS AWARE THAT THE LIMITS OF LIABILITY CONTAINED IN THE POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY "DEFENSE EXPENSES" AND, TO THE EXTENT THAT POLICY LIMITS ARE THEREBY EXCEEDED, THE COMPANY SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT. THE COMPANY HEREBY ADVISES THE APPLICANT OF ITS RIGHT, UPON WRITTEN REQUEST, TO AN ACCOUNTING OF "DEFENSE EXPENSES" ACTUALLY PAID BY THE COMPANY UNDER THIS POLICY.

NEW YORK LAW MANDATES THAT THE FOLLOWING WARNING BE GIVEN:

"ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME."

APPLICANT: ______________________________
(Type)

BY (OFFICER OF APPLICANT): ______________________________
(Type)

______________________________
(Signature)

TITLE: ______________________ DATE: ______________________
(Type) (Type)

(IMPORTANT: PRODUCER SIGNATURE REQUIRED ON THE NEXT PAGE)



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AMERICAN EXCESS INSURANCE ASSOCIATION

26. THE APPLICANT, BASED ON REASONABLE INQUIRY (INCLUDING BUT NOT LIMITED TO REASONABLE INQUIRY OF THE LEGAL AND RISK MANAGEMENT DEPARTMENTS OF THE APPLICANT), WARRANTS TO THE BEST OF ITS KNOWLEDGE AND BELIEF THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE AND THAT NO MATERIAL INFORMATION HAS BEEN WITHHELD. IT IS UNDERSTOOD THAT THE COMPANY MAY REQUEST ADDITIONAL INFORMATION WHICH, WHEN SUBMITTED, WILL BECOME PART OF THIS APPLICATION AND SUBJECT TO THE FOREGOING WARRANTY.

SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO ACCEPT INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE INSURANCE SHOULD A POLICY BE ISSUED.

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THE APPLICANT FURTHER WARRANTS THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE INCEPTION DATE OF THE POLICY PERIOD, IT WILL IMMEDIATELY NOTIFY THE COMPANY.

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NEW YORK LAW MANDATES THAT THE FOLLOWING WARNING BE GIVEN:

"ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME."

APPLICANT: Peabody Coal Co.
(Type)

BY (OFFICER OF APPLICANT): Donald L. Schoenewolf
(Type)

Donald L. Schoenewolf
(Signature)

TITLE: Director of Risk Management
(Type)

DATE: September 13, 1990
(Type)

(IMPORTANT: PRODUCER SIGNATURE REQUIRED ON THE NEXT PAGE)



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Submitted by (a duly authorized insurance producer representing a member of the Association):

Name of Firm: Sedgwick James of New England, Inc.
(Type)

Complete Mailing Address: 40 Broad Street, Boston, MA 02109
(Type)

Phone: 617-357-6600 Telex: - - Fax: 617-357-6755-

Name of Authorized Representative: Joseph F. Zavagnin, Vice President
(Type)

(Signature)

Association Member Represented:

**Producers domiciled in Delaware, Maryland, New Jersey, New York, Pennsylvania and Canada should return the completed application to:**

American Excess Insurance Association
Two World Trade Center
Suite 3870
New York, NY 10048
Phone Number: (212) 466-0097
Telex Number: 62943427 Fax Number: (212) 466-6303

**All other producers should return the completed application to:**

American Excess Insurance Association
RiverBend Executive Park
77 Hartland Street, Suite 400
East Hartford, CT 06108
Phone Number: (203) 528-2105
Telex Number: 62943426 Fax Number: (203) 282-9393



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SCHEDULE "C"


PEABODY

ANNUAL AGGREGATE LIABILITY CLAIMS ANALYSIS

Valued as of March 15, 1990

Products Liability and Completed Operations Liability Combined:

| Year | Annual Aggregate Amount | Number of Claims |
|---|---|---|
| 1) 1980 | NO PRODUCTS OR COMPLETED OPERATIONS CLAIMS IN LAST 10 YEARS | |
| 2) 1981 | | |
| 3) 1982 | | |
| 4) 1983 | | |
| 5) 1984 | | |
| 6) 1985 | | |
| 7) 1986 | | |
| 8) 1987 | | |
| 9) 1988 | | |
| 10) 1989 | | |

Subsidence Liability Aggregate Amounts:

| | | |
|---|---|---|
| 1) 1980 | $ 342,976 | 21 |
| 2) 1981 | 334,286 | 24 |
| 3) 1982 | 1,013,565 | 23 |
| 4) 1983 | 842,504 | 29 |
| 5) 1984 | 467,599 | 30 |
| 6) 1985 | 1,352,977 | 32 |
| 7) 1986 | 490,105 | 21 |
| 8) 1987 | 83,362 | 24 |
| 9) 1988 | 315,380 | 27 |
| 10) 1989 | 132,795 | 20 |

NOTE: Pre-Acquisition claims for new entities are not included. Number of subsidence claims includes potential claims as determined by Peabody personnel. The above includes claims paid or reserved at $1 or more.

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# PEABODY

## ANNUAL AGGREGATE LIABILITY CLAIMS ANALYSIS

Valued as of March 15, 1990

General Liability Aggregate Amounts:

| Year | Annual Aggregate Amount | Number of Claims |
|---|---|---|
| 1) 1980 | $ 85,861 | 11 |
| 2) 1981 | 242,519 | 21 |
| 3) 1982 | 544,538 | 19 |
| 4) 1983 | 368,740 | 24 |
| 5) 1984 | 260,303 | 34 |
| 6) 1985 | 353,139 | 25 |
| 7) 1986 | 264,959 | 32 |
| 8) 1987 | 140,782 | 13 |
| 9) 1988 | 49,921 | 10 |
| 10) 1989 | 78,535 | 8 |

Auto Liability Aggregate Amounts:

| | | |
|---|---|---|
| 1) 1980 | $ 164,852 | 77 |
| 2) 1981 | 60,842 | 67 |
| 3) 1982 | 206,353 | 67 |
| 4) 1983 | 220,252 | 57 |
| 5) 1984 | 52,192 | 51 |
| 6) 1985 | 337,652 | 69 |
| 7) 1986 | 61,092 | 30 |
| 8) 1987 | 39,571 | 42 |
| 9) 1988 | 42,989 | 22 |
| 10) 1989 | 34,290 | 14 |

NOTE: Pre-Acquisition claims for new entities are not included. The above includes GL-PD in excess of $5,000 and others paid or reseved at $1 or more. The General Liability losses shown above do not include "Blanford" claims which total $3 million, shared by 101 claimants at 43 households. These losses are not included because neither the dates of losses nor the amounts covered by insurance have been determined at this time.

PEABODY

ANNUAL AGGREGATE LIABILITY CLAIMS ANALYSIS
Valued as of March 15, 1990

Wharfowners Liability Aggregate Amounts:

| Year | Annual Aggregate Amount | Number of Claims |
|---|---|---|
| 1) 1980 | $ 570 | 1 |
| 2) 1981 | 6,557 | 2 |
| 3) 1982 | 59,710 | 6 |
| 4) 1983 | 39,504 | 2 |
| 5) 1984 | 2,025 | 1 |
| 6) 1985 | NONE | NONE |
| 7) 1986 | " | " |
| 8) 1987 | " | " |
| 9) 1988 | " | " |
| 10) 1989 | " | " |

Employers Liability Aggregate Amounts:
(Valued as of January 19, 1990)

| | | |
|---|---|---|
| 1) 1980 | $ 408,500 | 1 |
| 2) 1981 | NONE | NONE |
| 3) 1982 | 3,500 | 1 |
| 4) 1983 | NONE | NONE |
| 5) 1984 | 122,774 | 3 |
| 6) 1985 | 43,694 | 2 |
| 7) 1986 | 29,189 | 2 |
| 8) 1987 | 137,254 | 3 |
| 9) 1988 | 25,000 | 1 |
| 10) 1989 | NONE | NONE |

NOTE: Above does not include Eastern Associated Coal Co. Employer's Liability losses incurred prior to their purchase by Peabody holding Company, Inc. on March 31, 1987.

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# AMERICAN EXCESS INSURANCE ASSOCIATION
## SCHEDULE D
## INDIVIDUAL LOSS INFORMATION

*(Response to item 21 of the Application)*

Provide specific details of each individual loss (insured or not) in excess of $1,000,000 (shown full first dollar amount for each loss).

| Line of Coverage | Date of Loss | Description of Loss | Total Paid to date Exclusive of Allocated Expenses | Total Outstanding Exclusive of Allocated Expenses | Allocated Expenses (Paid and Resered) | Total Incurred Loss |
|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ |

NO LOSSES XS $1,000,000

SCHEDULE F

PEABODY COAL COMPANY

FLEET OF SWITCHBOATS

| EQUIPMENT | GROSS TONS | HORSE-POWER | YEAR BUILT | INSURED HULL VALUE | TOTAL HULL VALUES | NO. IN CREW | OPERATED BY | OWNED BY/CHARTER |
|---|---|---|---|---|---|---|---|---|
| SWITCHBOATS | | | | | | | | |
| M/V Jean McDowell | 73 | 660 | 1968 | $300,000 | Same | 2 | Peabody Coal Co. | Peabody Coal Co. |
| M/V Old Abe | 72 | 600 | 1956 | 150,000 | Same | 3 | " | " |
| M/V Ted Kelce | 50 | 495 | 1960 | 150,000 | Same | 2 | " | " |
| M/V Miss Gib | 26 | 400 | 1972 | 150,000 | Same | 2 | " | " |
| Total: | | | | $750,000 | $750,000 | | | |
| Permanently Moored Fleeting Barges | | | | | | | | |
| TVA 1 thru 2 | 2 | | | $ 38,157 | $ 76,314 | | " | Tennessee Valley Authurity |

4/16/90

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GLD058964

0049-GLD-000058964

INTEROFFICE COMMUNICATION
FARMINGTON MANAGEMENT, INC.

TO: File

FROM: Allen Lyons

DATE: October 1, 1990

SUBJECT: Hanson Industries
Renewal effective 10-1-90/91

This is to document the understandings we had with Sedgwick James after we initially quoted the renewal of this account.

On September 24, 1990 we were advised that the Risk Manager expects that the entities as listed on the last five pages of Exhibit 1 will be sold during the coming policy year. In fact, they will probably be sold within six months. The impact on sales of these entities reduces our sales estimates from $7.5 Billion worldwide and $7.1 Billion U.S. to $6.5 Billion and $6.1 Billion, respectively.

On September 29, 1990 we were advised that the Grove Company sales should be about $180 Million in lieu of the $383 Million we used in our rating. This information reduced our sales estimate to $6.3 Billion worldwide and 5.9 Billion U.S.

In view of the above changes we agreed to revise our quotation to $1,365,000.

Allen

Allen F. Lyons, Sr. Account Analyst
Farmington Management, Inc.
General Managers for
American Excess Insurance Association

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