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149

- SCM Excess 63-006-286
Northbrook Excess 1/1/80-1/1/81 - 149.

GLD051709
0049-GLD-0000051709

Northbrook
Excess and Surplus
Insurance Company
Northbrook, Illinois

4th Excess Layer

STOCK COMPANY

Policy No. 63-006-286

Renewed by
Ptlg No. 63-007-375

Northbrook
Excess and Surplus
Insurance Company
Northbrook, Illinois

Declarations

Renewal of No. 63 New

63 006 286
Policy Number

Item 1. Named Insured: SCM Corporation

Item 2. Address: 299 Park Avenue
New York, New York 10017

Item 3. Policy Period: From: January 1, 1980 To: January 1, 1981
12:01 A.M. Standard Time at the address of the Named Insured as stated herein

Item 4. Coverage: Excess Umbrella Liability

Item 5. Limits of Liability: $5,000,000 any one occurrence and in the aggregate part of $25,000,000 any one occurrence and in the aggregate (where applicable) excess of $50,000,000 any one occurrence and in the aggregate (where applicable) excess of primary.

Item 6. Premium: Advance: $5,000.00 Annual Minimum: $5,000.00
Rate: Flat

If the Policy Period is more than one year and the premium is to be paid in installments, Premium is payable on:

not applicable	not applicable	not applicable
Effective Date	1st Anniversary	2nd Anniversary

In the event of cancellation by the Named Insured, NORTHBROOK shall receive and retain not less than as the policy minimum premium.

RU 72-2 (jacket)
Countersignature Date January 3, 19 80

Authorized Representative

am

RU9-3

GLD051711
0049-GLD-000051711



Northbrook
Excess and Surplus
Insurance Company
Northbrook, Illinois

A Stock Insurance Company, Herein called NORTHBROOK

Excess Umbrella Coverage

63 006 286
Policy Number

I. Coverage

NORTHBROOK hereby agrees, subject to the limitations, terms and conditions hereinafter mentioned, to indemnify the Insured for all sums which the Insured shall be obliged to pay by reason of the liability imposed upon the Insured by law, or assumed under contract or agreement by the Insured for damages, direct or consequential and expenses on account of:

(a) Personal Injuries, including death at any time resulting therefrom,

(b) Property Damage,

(c) Advertising Liability,

caused by or arising out of each occurrence happening anywhere in the world, and arising out of the hazards covered by and as defined in the Underlying Umbrella Policies stated below and issued by the "Underlying Umbrella Insurers".

UNDERLYING UMBRELLA INSURERS, POLICY NUMBER AND LIMITS:

Hartford #TBA - $5,000,000 any one occurrence and in the aggregate (where applicable) excess of primary.

Various other carriers and policy numbers as on file with the Company - $45,000,000 any one occurrence and in the aggregate (where applicable) excess of $5,000,000 any one occurrence and in the aggregate (where applicable) excess of primary.

II. Limit of Liability — Underlying Limits

It is expressly agreed that liability shall attach to NORTHBROOK only after the Underlying Umbrella Insurers have paid or have been held liable to pay the full amount of their respective ultimate net loss liability as follows:

(a) $ 50,000,000 ultimate net loss in respect of each occurrence, or

(b) $ 50,000,000 in the aggregate for each annual period during the currency of this policy

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

(c) $ 5,000,000 ultimate net loss in all in respect of each occurrence — subject to a limit of part of $25,000,000

(d) $ 5,000,000 in the aggregate where applicable for each annual period during the currency of this policy. part of $25,000,000

III. Definitions

A. "Named Insured" means the person or organization named in Item 1 of the Declarations and as stated in the Underlying Umbrella Policies.

B. "Insured" means any other person or organization if included as an Insured under the provisions of the Underlying Umbrella Policies and then only for the same coverage, except limits of liability, afforded under such Underlying Umbrella Policies.

IV. Conditions

A. Prior Insurance and Noncumulation of Liability

It is agreed that if any loss covered hereunder is also covered in whole or in part under any other excess policy issued to the Insured prior to the inception date hereof the limit of liability hereon as stated in Limit of Liability — Underlying Limits (c) and (d) shall be reduced by any amounts due to the Insured on account of such loss under such prior insurance.

Subject to the foregoing paragraph and to all the other terms and conditions of this policy in the event that personal injury or property damage arising out of an occurrence covered hereunder is continuing at the time of termination of this policy NORTHBROOK will continue to protect the Insured for liability in respect of such personal injury or property damage without payment of additional premium.

RU13-3 PRINTED IN U.S.A.



Northbrook Excess and Surplus Insurance Company
Northbrook, Illinois

NUCLEAR Energy Liability Exclusion Endorsement

This policy shall not apply: BROAD FORM

I. Under any Liability Coverage, to injury, sickness, disease, death or destruction

(a) with respect to which an Insured under the 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 would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the Insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.

II. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to immediate medical or surgical relief to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if

(a) the nuclear material (1) is at any nuclear facility owned by or operated by or on behalf of, an Insured or (2) has been discharged or dispersed therefrom;

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

(c) the injury, sickness, disease, death, or destruction arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

IV. As used in this policy:

"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 "by-product 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 by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means:

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or ultilizing spent fuel, or (3) handling, processing or packaging waste,

(c) 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,

(d) 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;

with respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

War Risk Exclusion Endorsement

This policy shall not apply to any liability of the Insured directly or indirectly occasioned by, happening though 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.

RU125

NESCO

Northbrook Excess and Surplus Insurance Company
Northbrook, Illinois

Endorsement

Named Insured: SCM Corporation

Policy No.: 63 006 286
Endorsement No.: 1

In consideration of the premium charged it is agreed that coverage under this policy does not apply to any loss arising out of any of the insureds acting as a fiduciary in regards to the administration or handling of Employee Benefit Plans or for any loss as a result of a breach of fiduciary responsibilities, obligations or duties as are imposed upon any of the insureds by the Employee Retirement Income Security Act of 1974 or amendments thereto or any regulations as are promulgated thereunder.

The term "Employee Benefit Plans" as used in this exclusion shall include Group Life Insurance, Group Accident or Health Insurance, Pension Plans, Employee Stock Subscription Plans, Workers' Compensation Plans Insurance, Unemployment Insurance, Social Security Insurance, Disability Benefits and any other similar Employee Benefit Programs sponsored by the insured, and shall also include professional or semiprofessional services or advice given by or on behalf of any of the insureds to any of the insureds employees or the employees representatives relative to the above mentioned plans.

R

This endorsement to take effect on the 1st day of January 19 80. All other terms and conditions remain unchanged.

Countersignature Date January 3, 1980

am

Authorized Representative

RU7-1 PRINTED IN USA

GLD051714
0049-GLD-000051714



Northbrook
Excess and Surplus
Insurance Company
Northbrook, Illinois

Endorsement

Named Insured: SCM Corporation

Policy No.: 63 006 286
Endorsement No.: 2

This endorsement deleted, See End. No 3

In consideration of the premium charged, it is agreed that the insurance afforded by this policy shall not apply with respect to any liability arising out of aircraft products manufactured, sold or distributed and/or all sums which any insured shall become legally obligated to pay as damages resulting in or from grounding of any aircraft.

"Aircraft Products" means aircraft (including missiles or spacecraft and any ground support of control equipment used therewith), aircraft parts and goods or products installed in or on aircraft or used in connection with aircraft, manufactured, sold, handled or distributed by any named insured or by others trading under their name. "Aircraft Products" includes tooling used in the manufacture of aircraft products, and also includes ground handling tools and equipment, training aids, instructions, manuals, blueprints, engineering and other data, engineering and other advice and services and labor relating to aircraft products.

"Grounding" means the withdrawal, at or about the same time, in the interest of safety, of one or more aircraft from flight operations because of a like condition or suspicion thereof in two or more such aircraft whether such aircraft so withdrawn are owned or operated by the same or different persons, firms or corporations. A grounding shall be deemed to commence on the date of an accident or occurrence which discloses such condition, or on the date an aircraft is first withdrawn from service on account of such condition, whichever first occurs.

This endorsement to take effect on the 1st day of January 19 80. All other terms and conditions remain unchanged.

Countersignature Date January 3, 1980

am

Authorized Representative

RU7-1 PRINTED IN USA

GLD051715
0049-GLD-000051715

NESCO

Northbrook Excess and Surplus Insurance Company
Northbrook, Illinois

Endorsement

Named Insured: SCM Corporation

Policy No.: 63 006 286
Endorsement No.: 3

In consideration of the premium charged, it is agreed that endorsement #2 is deleted in its entirety.

This endorsement deletes the exclusion for aircraft products

This endorsement to take effect on the 1st day of January 19 80. All other terms and conditions remain unchanged.

Countersignature Date February 21, 1980

Authorized Representative

vj

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GLD051716

0049-GLD-000051716

Northbrook
Excess and Surplus
Insurance Company
Northbrook, Illinois

Endorsement

Named Insured: SCM Corporation

Policy No.: 63 006 286
Endorsement No.: 4

In consideration of the premium charged, it is agreed that Condition L "Cancellation" of the Excess Umbrella Coverage (RU 13-3) is amended in part to read "sixty (60) days" in lieu of "thirty (30) days."

This endorsement to take effect on the 1st day of January 19 80. All other terms and conditions remain unchanged.

Countersignature Date June 3, 1980

Authorized Representative

jv

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GLD051717
0049-GLD-000051717

One of the excess underwriters wanted to know if Kleinschmidt still manuf. products used in aircraft.

Per K. Glennon - 1-24-80

Dave Bath said their main product line used to be teletype, but they have not manufactured one in about a year. The sale of teletypes was mostly to the armed field telecommunication equipment for use on the front line. They still manufacture the spare parts for these machines. Their main product line now is to develop, program & assemble mini-computers for use in Railway freight yards.

Advised K. Glennon
1-24-80