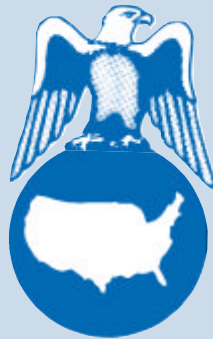


# Excess Liability Policy



## UNITED STATES LIABILITY INSURANCE GROUP

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[www.USLI.com](http://www.USLI.com)

THIS POLICY JACKET TOGETHER WITH THE DECLARATIONS PAGE,  
COVERAGE FORM AND ENDORSEMENTS, IF ANY, COMPLETE THIS POLICY.

THE ENCLOSED DECLARATIONS DESIGNATES THE ISSUING COMPANY.

# EXCESS LIABILITY POLICY

## READ YOUR POLICY CAREFULLY

This policy consists of:

-	Policy Declarations	
	• Named <b>Insured</b> and Address	
	• Policy Period	
	• Schedule of <b>Underlying insurance</b>	
	• Limits of Insurance	
	• Premium Computation	
	• Coverage Forms and Endorsements	
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## EXCESS LIABILITY POLICY

IN THIS POLICY THE WORDS YOU AND YOUR REFER TO THE NAMED **INSURED** SHOWN IN THE DECLARATIONS. WE, US, AND OUR REFER TO THE STOCK INSURANCE COMPANY SHOWN IN THE DECLARATIONS. OTHER WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE SPECIAL MEANINGS. THEY ARE DEFINED IN THE DEFINITIONS SECTION OF THIS POLICY OR IF NOT SO DEFINED THEY ARE DEFINED IN THE **UNDERLYING INSURANCE**. IN RETURN FOR THE PAYMENT OF THE PREMIUM, IN RELIANCE UPON THE STATEMENTS IN THE DECLARATIONS MADE A PART HEREOF AND SUBJECT TO ALL OF THE TERMS OF THIS POLICY, WE AGREE WITH YOU AS FOLLOWS:

### I. INSURING AGREEMENTS

1. We will pay those sums that the **insured** must legally pay as **damages** because of **bodily injury, property damage, personal injury, or advertising injury**, caused by an **occurrence** that takes place in the **coverage territory**, which occurs during the Policy Period of this policy in excess of the sums payable as **damages** in the **underlying insurance**.
2. We have no other obligation or liability to pay sums or perform acts or services except those shown under DEFENSE AND SETTLEMENTS.
3. In any jurisdiction where we are prevented by law or otherwise from paying on the **insured's** behalf, we will indemnify the **insured** instead, and paragraph 1 shall be deemed changed accordingly.
4. Where the **underlying insurance** has an aggregate limit of liability, such aggregate limit shall not, for purpose of determining when this insurance applies, be reduced or exhausted by any payment 1 relating to any act, error, omission, injury, damage, or offense which occurs before the effective date shown in the Declarations of this policy.
5. Settlement of any **claim** or **suit** for an amount in excess of available underlying insurance by any underlying insurer shall not be binding on us unless we consent in writing.

### II. DEFENSE AND SETTLEMENTS

1. We will pay **defense expenses** only as follows:
  - a. When **defense expense** payments of any **underlying insurance** reduce the limits of insurance provided by that policy, then any such expense payment made under this policy will reduce the Limits of Insurance as stated in the Declarations.
  - b. When **defense expense** payments of any of the **underlying insurance** do not reduce the limits of insurance provided by those policies, then any such expense payment made under this policy will not reduce the Limits of Insurance as stated in the Declarations.
2. We will have no duty to defend any **claim** or **suit** that any other insurer has a duty to defend. If we elect to join in the defense of such **claims** or **suits**, we will pay all expenses we incur. You shall give us the opportunity to associate with you or the underlying insurers or both in the defense and control of any **claims, suits**, or proceedings which involve or appear likely to involve this insurance. You and your insurers shall cooperate with us in the defense of such **claim, suit** or proceeding.
3. We will defend any **suit** which is likely to involve us for **damages** payable under this policy but which are not payable by a policy of **underlying insurance**, or any other available insurance, because the **underlying insurance** has been exhausted by the payment of **claims**.
4. We may investigate and settle any **claim** or **suit** in paragraph 3 above at our discretion.
5. All **defense expenses** in paragraph 3 above end when we have used up the applicable limit of insurance in the payment of judgments or settlements.
6. We will pay, with respect to any **claim** or **suit** we defend in paragraph 3 above:
  - a. All expenses we incur which are not **defense expense**.
  - b. The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds,
  - c. All reasonable expenses incurred by the **insured** at our request to assist us in the investigation and defense of the **claim** or **suit**, including actual loss of earnings up to \$250 a day because of the time taken off from work.

- d. All costs taxed against the **insured** in the **suit**.
  - e. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, or offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
7. In any jurisdiction outside the United States of America (including its territories and possessions), Puerto Rico and Canada where we may be prevented by law or otherwise from carrying out this agreement:
    - a. The **insured** must arrange to investigate, defend or settle any **claim** or **suit**.
    - b. The **insured** will not make any settlement without our consent.
    - c. We will pay expenses incurred with our consent.

### III. LIMITS OF INSURANCE

1. The company's Limits of Insurance, shown in the Declarations fix the most we will pay regardless of the number of:
  - a. **Insured's**;
  - b. **Claims** or **suits** brought; or
  - c. Persons or organizations making **claims** or bringing **suits**.
2. The Aggregate Limits of Insurance, shown in the Declarations, fix the most we will pay as **damages** in any policy period. Each payment we make for **damages** reduces by the amount of the payment the Products/Completed Operations Aggregate limit and the General Aggregate Limit. These reduced limits will then be the limits of insurance available for further **damages** of these kinds.
3. Our obligations end under this coverage when the applicable limits of insurance available are used up. If we pay any amount for **damages** in excess of those limits of insurance, you agree to reimburse us for such amounts.
4. The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Policy Period shown in the Declarations, unless the Policy Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purpose of determining the limits of insurance.

### IV. EXCLUSIONS

This policy does not apply to:

1. Any injury or damage:
  - a. not covered by the **underlying insurance**; or
  - b. now or hereafter excluded in the **Underlying insurance**.
2. Liability imposed on the **insured** under any workers compensation, unemployment compensation, disability benefits law, or any other similar law.
3. Any liability arising out of any Employee Benefit Program, including Group Life Insurance, Group Accident or Health Insurance, Pension Plans, Employee Stock Subscription Plans, Workers Compensation, Unemployment Insurance, Social Security and Disability Benefits, and any other similar Employee Benefit programs.
4. Liability assumed by the **insured** under any contract or agreement with respect to an **occurrence** taking place before the contract or agreement is made.
5. **Bodily injury, property damage, damages** for the devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space or any other loss, cost or expense including but not limited to fines or penalties, arising out of or contributed to in any way by any:

- a. Actual, alleged or threatened discharge, dispersal, release, escape, seepage or migration of pollutants, whether or not:
  - (1) instantaneous or gradual in nature;
  - (2) intentional or accidental; or
  - (3) that the **bodily injury, property damage** or any other loss could have been reasonably foreseen;
- b. Litigation or administrative procedure in which the **insured** may be involved as a party as a result of paragraph a.; and/or
- c. Direction, request, demand, order or action by any party that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants or in any way respond to or assess the effects of pollutants or to reimburse any party for their expenses in doing so.  
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals or materials and waste. Waste includes, in addition to materials to be disposed of, materials to be recycled, reconditioned or reclaimed.

This exclusion is intended to exclude from the coverage provided by this policy of insurance all liability and expense arising out of or related to any form of pollution, whether or not such pollution is intentionally caused and whether or not the resulting injury, damage, devaluation, cost or expense is expected or intended from the standpoint of the **insured**.

6. **Personal injury or bodily injury** arising out of:
  - a. Refusal to employ;
  - b. Termination of employment;
  - c. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or other employment-related practices, policies, acts or omissions; or
  - d. Consequential **personal injury** or **bodily injury** as a result of (a) through (c) above.

This exclusion applies whether the **insured** may be held liable as an employer or in any other capacity and to any obligation to share **damages** with or to repay someone else who must pay **damages** because of the injury.

7. **Bodily injury, property damage, Personal injury** or advertising injury arising out of, resulting from, caused or contributed to:
  - a. By asbestos or exposure to asbestos; or
  - b. The cost of abatement, mitigation, removal or disposal of asbestos.

This exclusion also includes:

- a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
  - b. Any obligation to share **damages** with or repay someone else who must pay **damages** because of such injury or damage.
8. Any liability incurred by an **insured** 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 or damage to property by or under the order of any government or public or local authority.
  9. Any liability for punitive or exemplary **damages**. If a **suit** is brought against the **insured** or persons insured hereunder and falls within the coverage provided by this policy, seeking both compensatory damages and punitive or exemplary damages, no coverage shall be provided by the policy for any cost, interest, costs of defense or damages attributable to punitive or exemplary **damages**.
  10. **Bodily Injury, property damage, Personal injury or advertising injury to or suffered by any insured**.
  11. Any **claim** for **uninsured** or **underinsured** motorists coverage, **Personal injury** protection, property protection or similar no-fault coverage by whatever name called, unless this policy is endorsed to provide such coverage.

12. Nuclear Energy Liability Exclusion (Broad Form) (See Page 6)
13. **Bodily injury, property damage, Personal injury or advertising injury** covered by a policy of insurance which provides lower limits of liability than are shown for that policy in the Schedule of **Underlying insurance**.

#### V. DEFINITIONS

1. **Bodily injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. **Claim** means a written demand for **damages** or services.
3. **Coverage territory** means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
  - c. All parts of the world if:
    - (1) The injury or damage arises out of:
      - (a) Goods or products made or sold by you in the territory described in a. above; or
      - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
    - (2) The **insured's** responsibility to pay **damages** is determined in a **suit** on the merits, in the territory described in a. above or in a settlement we agree to.
4. **Damages** are all compensatory amounts that the **insured** is legally obligated to pay. This obligation may be the decision of a court or the result of a settlement. The cause of the obligation must be from **bodily injury, personal injury, property damage or advertising injury** covered by this policy. **Damages** include interest which accumulates on a civil court judgment from the time the **suit** is brought until the final judgment is entered by the court. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer. **Damages** include **defense expense** to the same extent included in the limits of **underlying insurance**. **Damages** do not include fines or penalties. **Damages** do not include damages for which insurance is prohibited by law or public policy applicable in construction of this policy.
5. **Defense expense** means payments allocated to a specific **claim** or **suit** for its investigation, settlement or defense, including:
  - a. Attorney fees and all other litigation expenses;
  - b. Up to \$250 for the cost of bail bonds required because of traffic law violations arising out of the use of any vehicle to which the **bodily injury** liability coverage applies. We do not have to furnish these bonds;

Defense expenses does not include:

  - (1) Salaries and expenses of our **employees** or **employees** of the **insured**, other than that portion of our employed attorney's fees, salaries and expenses allocated to a specific **claim** or **suit**;
  - (2) Fees and expenses of the independent adjusters we hire;
  - (3) The cost of bonds to appeal a judgment or award in any **suit** we defend;
  - (4) Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of LIMITS OF INSURANCE.
6. **First named insured** means the person or organization first named under Named Insured of the Declarations of this policy.
7. **Insured** means any person or organization qualifying as an **Insured** in the **underlying insurance**.
8. **Occurrence** means:
  - a. With respect to **bodily injury** or property damage: an accident, including continuous or repeated exposure to substantially the same general harmful condition, which results in **bodily injury**

or **property damage** neither expected nor intended from the standpoint of the **insured**.

- b. With respect to **advertising injury and Personal injury** respectively: an offense described in one of the numbered subdivisions of those terms in this policy.

All **damages** that arise from exposure to the same general conditions are considered to arise out of one **occurrence**.

9. **Personal injury** means injury, other than **advertising injury or bodily injury**, arising out of one or more of the following offenses committed in the course of the **insured's** business during the Policy Period:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into or invasion of the right of private occupation of a room, dwelling or premises that a person occupies if done by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of the material that slanders or libels a person or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy arising out of the conduct of your business, excluding advertising publishing, broadcasting or telecasting done by or for you.

10. Property damage means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

11. **Underlying insurance** means the insurance policies listed in the Schedule of Underlying Insurance, including any renewals or replacements thereof which provide the underlying coverage and limits stated in the Schedule of **Underlying insurance**. The coverage and limits of such policies shall be deemed to be applicable regardless of:

- a. any defense which the underlying insurer may assert because of the **insured's** failure to comply with any conditions of any such policy;
- b. the actual or alleged insolvency, financial impairment or bankruptcy of the underlying insurer or any **insured**; or
- c. cancellation or termination of the underlying policy(s).

## VI. CONDITIONS

1. Premium

The advance premium stated in the Declarations is a deposit premium only, unless otherwise specified. Upon termination of this policy, the final premium shall be computed in accordance with the Rate and Minimum Premium stated in the Declaration. If the final premium thus computed exceeds the advance premium paid, the **first named insured** shall pay the excess to us. If the final earned premium is less we shall return to the **first named insured** the unearned portion paid by such **insured**.

The **first named insured** shall maintain adequate records of the information necessary for premium computation on the basis stated in the Declarations and shall send copies of such records to us at the end of this Policy Period, as we may direct. Any minimum premium shown in the Declarations shall be fully earned and not subject to return upon audit of this insurance.

2. Inspection and Audit

We shall be permitted but not obligated to inspect your property and operations at any time.

Neither our right to make inspections, nor the making thereof, nor any report thereon, shall constitute an undertaking on your behalf or for your benefit or that of others to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

We may examine and audit your books and records at any time during the Policy Period and extensions thereof and within three years after the final termination of this policy, insofar as they relate to the subject matter of this insurance.

3. Notice of **Occurrence, Claim, offense or Suit**

Whenever it appears that an **occurrence, claim, offense or suit** is likely to involve payment under this policy, written notice shall be given to us or our authorized representative by you or your designated representative as soon as practicable. Such notice shall contain particulars sufficient to identify the **insured** and also reasonably obtainable information respecting the time, place and circumstances of the **occurrence, claim, offense or suit**, the names and addresses of the injured and of available witnesses.

4. Assistance and Cooperation of the **insured**

The **insured** shall cooperate with us and shall comply with all terms and conditions of this policy and shall cooperate with the underlying insurers as required by the terms of the **underlying insurance** and comply with all the terms and conditions thereof. The **insured** shall enforce any right of contribution or indemnity against any person or organization who may be liable to the **insured** because of **bodily injury, personal injury, property damage or advertising injury** with respect to which insurance is afforded under this policy or any of the **underlying insurance** policies.

5. Action Against Company

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

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

6. Appeals

In the event the **insured** or the **insured's** underlying insurer elects not to appeal a judgment in excess of the **underlying insurance**, we may elect to make such appeal, at our cost and expense, and shall be liable in addition to the applicable Limit of Insurance, for the taxable costs, disbursements and additional interest incidental to such appeal.

7. Other Insurance

The insurance afforded by this policy shall be excess insurance over all **underlying insurance** applicable to a loss covered by this policy whether or not such **underlying insurance** is valid and collectible. It shall also be excess insurance over all other valid and collectible insurance (except other insurance purchased specifically to apply in excess of this insurance) which is available to the **insured**, covering a loss also covered by this policy and which is not described in the Schedule of **Underlying insurance**.

8. Subrogation

In the event of any payment under this policy, we shall participate with the **insured** and any underlying insurer in the exercise of all the **insured's** rights or recovery against any person or organization liable therefore, and the **insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **insured** shall do nothing to prejudice such rights.

Recoveries shall be applied:

- a. First, to reimburse any interest (including the **insured's**) that may have paid any amount with respect to liability in excess of our Limit of Insurance hereunder;

b. Then to reimburse us up to the amount paid hereunder, along with any other insurers having a proportionate interest at the same level;

c. and lastly, to reimburse such interests (including the **insured's**), with respect to which this insurance is excess, as are entitled to claim the residue, if any.

A different apportionment may be made to effect settlement of a **claim** by agreement signed by all interests. Reasonable expenses incurred in the exercise of rights or recovery shall be apportioned among all interests in the ratio of their respective losses for which recovery is sought.

9. Changes

Notice to any person, or knowledge possessed by any person, shall not effect a waiver or change in any part of this policy, or stop us from asserting any rights under the terms of this policy with respect to any requirements as to **underlying insurance**; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by our authorized representative.

10. Assignment

Assignment of interest under this policy shall not bind us until our consent is endorsed hereon; if, however, you shall die, such insurance as is afforded by this policy shall apply (1) to your legal representative, but only while acting within the scope of his or her duties as such, and (2) with respect to your property, to the person having proper temporary custody thereof, as **insured**, but only until the apportionment and qualification of the legal representative.

11. Maintenance of **underlying insurance**

You agree to maintain all insurance policies affording in total the coverage and limits as stated in the Schedule of Underlying insurance in full force and effect during this Policy Period except for reduction of aggregate limits where applicable, solely as a result of the payment of **claims** for injury or damage which take place during the Policy Period.

In the event of reduction or exhaustion of **underlying insurance** by punitive or exemplary damage claims, the company shall be liable for loss or claims insured hereunder only to the extent that it would have been liable without reduction or exhaustion of the **underlying insurance** by punitive or exemplary damage claims.

You must notify us immediately of any changes to the terms of any **underlying insurance** policies. We may make adjustments of premium charges under this policy from the effective date of such changes to the terms of any **underlying insurance** policy.

Your failure to comply with the foregoing paragraphs will not invalidate this policy, but in the event of such failure, we shall be liable under this policy only to the extent that we would have been liable had you complied with these obligations.

12. Service of **Suit** Clause:

It is agreed that in the event we fail to pay any amount **claimed** to be due hereunder, we, at your request will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such a court. It is further agreed that service of process in such **suit** may be made upon the highest one in authority bearing the title Commissioner, Director, or Superintendent of Insurance of the State or Commonwealth wherein the property covered by this policy is located, and that in any **suit** instituted against it upon this contract we will abide by the final decision of such court or any appellate court in the event of an appeal. The one in authority bearing the title Commissioner, Director, or Superintendent of Insurance of the State or Commonwealth wherein the property covered by this policy is located is hereby authorized and directed to accept service of process on our behalf in any **suit** and/or upon your request to give a written undertaking to us that they will enter a general appearance upon our behalf in the event such a **suit** shall be instituted.

13. Sole Agent

The **first named insured** is authorized to act on behalf of all **insured's** with respect to the giving or receiving of notice of cancellation, receiving unearned premium, agreeing to any changes in the policy and being billed for additional premiums.

14. Cancellation

a. The **first named insured** may cancel this policy by mailing or delivering to us advance written notice of cancellation.

b. We may cancel this policy by mailing or delivering to the **first named insured** written notice of cancellation at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

c. We will mail or deliver our notice to the first named **insured's** last mailing address known to us.

d. Notice of cancellation will state the effective date of cancellation. The Policy Period will end on that date

e. If this policy is canceled, we will send the first named **insured** any premium refund due. If we cancel, the refund will be pro rata. If the first named **insured** cancels, the refund will be based upon the customary short rate table. The cancellation will be effective even if we have not made or offered a refund.

f. If notice is mailed, proof of mailing will be sufficient proof of notice.

15. Workers Compensation Agreement

With respect to **bodily injury** to or death of any **executive officer** or other **employee** arising out of and in the course of employment by you, it is a condition to the recovery of any loss under this policy, and you represent and agree, you have not abrogated and will not abrogate your common law defenses or your defenses under any Workers Compensation Law by rejection of such law or otherwise. In the event you shall, at any time during the Policy Period, abrogate such defenses, such insurance as is afforded for **bodily injury** with respect to such **executive officer** or other employee shall automatically terminate at the same time.

16. Bankruptcy or Insolvency

In the event of the actual or alleged bankruptcy or insolvency of an underlying insurer, or of the **insured** if the **underlying insurance** is comprised in whole or in part of self-insurance, it is agreed that this insurance shall apply only in excess of the required limits of insurance stated in the Schedule of **Underlying insurance** and shall not take the place of such **underlying insurance** which is or becomes invalid, uncollectible or otherwise unavailable. The **underlying insurance** listed in the Schedule of **Underlying insurance** will be deemed in effect and the risk of such bankruptcy or insolvency is retained by you and others, and not by us.

17. Declarations

By acceptance of this policy the **first named insured** agrees that the statements in the Declarations are its agreements and representations, that this policy is issued in reliance upon the truth of such representations, and embodies all agreements existing between the **first named insured** and us or any of our representatives relating to this insurance.

**NUCLEAR ENERGY LIABILITY EXCLUSION**  
(Broad Form)

This policy does not apply to:

12. Any Liability:

a. For **bodily injury or property damage**:

- (1) 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, 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: or
- (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.

b. for **bodily injury or property damage** resulting from "hazardous properties" of "nuclear material" if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an **Insured** or (b) has been discharged or dispensed therefrom;
- (2) 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
- (3) The **bodily 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 a facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to **property damage** to such "nuclear facility" and any property thereat.

As used in the exclusion 12:

"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 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 (a) containing "by-product 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 (b) 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:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "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 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:

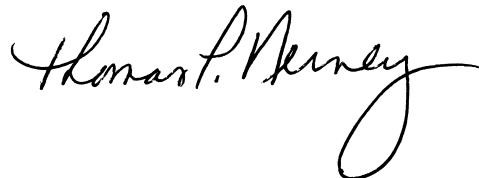
"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

**Property damage** includes all forms of radioactive contamination of property.

IN WITNESS WHEREOF, the company has caused this **policy** to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.



Treasurer



President