



## Following Form Excess Liability Policy

### Declarations

AMERICAN GUARANTEE & LIABILITY INSURANCE COMPANY  [X]  
 AMERICAN ZURICH INSURANCE COMPANY  [ ]  
 ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS  [ ]

Policy Number: AEC 5228803 00

Renewal of Number: NEW

1. Named Insured: Intel Corporation  
 2. Mailing Address: 200 Mission College Blvd.  
 Santa Clara, CA 950541537

Producer: Marsh USA, Inc.  
 1166 Avenue of the Americas  
 New York, NY 100362774

3. Policy Period: FROM: 04/01/2001 TO: 04/01/2002  
 at 12:01 A.M. Standard Time at the address of the Named Insured.

4. Limits Of Insurance:

A.	\$ 50,000,000	Occurrence
B.	\$ 50,000,000	Other Aggregate
C.	\$ 50,000,000	Products/Completed Operations Aggregate

5. Policy Premium:

Advance Premium	\$ 135,000
Policy Minimum Earned Premium	\$ 33,750

### 6. Underlying Insurance:

#### A. Controlling Underlying Policy:

Insurance Company:	Winterthur International America Ins. Co.
Policy Number:	HFL 004-27-84-01
Policy Period:	From: 04/01/2001 To: 04/01/2002
Limits Of Insurance:	\$ 50,000,000
	Occurrence
	\$ 50,000,000
	Other Aggregate
	Products/Completed
\$	Operations Aggregate

#### B. Total Limits Of All Underlying Insurance, Including The Controlling Underlying Policy Which This Policy Applies Excess Of:

\$ 50,000,000	Occurrence
\$ 50,000,000	Other Aggregate
\$ 50,000,000	Products/Completed
\$ 50,000,000	Operations Aggregate

### 7. Endorsements Attached: See Attached Schedule Of Forms And Endorsements

Signed by:

Authorized Representative

Date

12/04/01



**Schedule of Forms and Endorsements**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer		
AEC 5228803 00	04/01/2001	04/01/2002	04/01/2001	18232000		

**Named Insured and Mailing Address:**

**Intel Corporation**  
**200 Mission College Blvd.**  
**Santa Clara, CA 950541537**

**Producer:**

**Marsh USA, Inc.**  
**1166 Avenue of the Americas**  
**New York, NY 100362774**

**Schedule of Forms and Endorsements**

Following Form Excess Liability Policy Declarations  
 Schedule of Forms and Endorsements  
 Following Form Endorsement  
 Absolute Pollution Follow Form  
 Non-Reduction of Aggregate Limit Endorsement  
 Aircraft Products/Grounding Exclusion  
 Professional Services Exclusion  
 California Changes Cancellation/Nonrenewal  
 Following Form Excess Liability Policy Jacket  
 Following Form Excess Liability Policy  
 In Witness Clause

U-EXS-D-100-A CW (4/99)		
U-EXS-215-A CW (4/99)		
U-EXS-150-A CW (4/99)	Endt #	1
U-EXS-150-A CW (4/99)	Endt #	2
U-EXS-150-A CW (4/99)	Endt #	3
U-EXS-103-A CW (4/99)	Endt #	4
U-EXS-150-A CW (4/99)	Endt #	5
U-EXS-178-A CA (4/99)	Endt #	6
U-EXS-218-A CW (4/99)		
U-EXS-100-A CW (4/99)		
U-EXS-217-A CW (4/99)		

Signed by:

Authorized Representative

Date

Endorsement # 1

**Following Form Endorsement**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
AEC 5228803 00	04/01/2001	04/01/2002	04/01/2001	18232000	None	None

Named Insured and Mailing Address:

Intel Corporation  
 200 Mission College Blvd.  
 Santa Clara, CA 950541537

Producer:

Marsh USA, Inc.  
 1166 Avenue of the Americas  
 New York, NY 100362774

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

A. This policy follows the exact terms and conditions of the Winterthur International America Ins. Co. policy number HFL 004-27-84-01 except with respect to:

1. The Limits of Liability of this policy shall be:

a. Each Occurrence	<u>\$ 50,000,000</u>
b. Other Aggregate(s)	<u>\$ 50,000,000</u>

The Limits of Liability of this policy apply in excess of the Limits shown in Item 6. of the Declarations.

2. The premium of this Policy shall be:

a. Advance premium	<u>\$ 135,000</u>
b. Annual Minimum Premium	<u>\$ 33,750</u>

3. Policy SECTION IV. EXCLUSIONS – ASBESTOS, A. and NUCLEAR, C.

4. Any Coverage Modification Endorsement attached to this policy.

B. Except as noted above, All preprinted terms and conditions of Form U-EXS-100-A-CW (4/99) are deleted to the extent they are inconsistent with the terms and conditions of the Winterthur International America Ins. Co. policy number HFL 004-27-84-01.

C. Nothing contained in this Endorsement shall obligate us to provide a duty to defend any claim or suit before the Underlying Insurance Limits shown in Item 6. of the Declarations are exhausted by payment of judgments or settlements.

Signed by: Stevens D. Hughes  
 Authorized Representative

Date

12/04/01

Endorsement # 3

**Non-Reduction of Aggregate Limit Endorsement**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
AEC 5228803 00	04/01/2001	04/01/2002	04/01/2001	18232000	None	None

Named Insured and Mailing Address:

Intel Corporation  
 200 Mission College Blvd.  
 Santa Clara, CA 950541537

Producer:

Marsh USA, Inc.  
 1166 Avenue of the Americas  
 New York, NY 100362774

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

In consideration of the premium charged it is agreed that with respect to any aggregate limit of liability contained in the **Controlling Underlying Policy**, or any Underlying Insurance which this policy applies excess of, for the purpose of the coverage provided in this policy, such aggregate limit contained in the **Controlling Underlying Policy**, or any **Underlying Insurance** which this policy applies excess of shall not be reduced as a result of claims or occurrences for which coverage is not provided by this policy.

*Stephen D. Slaughter*  
 Signed by: \_\_\_\_\_

Authorized Representative

Date

*12/04/01*

Endorsement # 2



## Absolute Pollution Follow Form

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
AEC 5228803 00	04/01/2001	04/01/2002	04/01/2001	18232000	None	None

Named Insured and Mailing Address:

Intel Corporation  
200 Mission College Blvd.  
Santa Clara, CA 950541537

Producer:

Marsh USA, Inc.  
1166 Avenue of the Americas  
New York, NY 100362774

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SECTION IV. - EXCLUSIONS, EXCLUSION B.** is deleted in its entirety and replaced by the following:

- B. 1. Arising directly or indirectly out of the actual, alleged or threatened existence, discharge, seepage, migration, disposal, release or escape of "pollutants."
- 2. Arising out of any:
  - a. Request, demand, or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants," or
  - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants."

As used in this endorsement, "pollutants" means any man-made or naturally occurring solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to: smoke; vapor; soot; fumes; acids; alkalis; chemicals; and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

However, it is agreed that this exclusion does not apply to any liability, damage, loss, cost or expense described above for which coverage is afforded under (Winterthur International America Ins. Co.) Policy No. (HFL 004-27-84-01) and then for no broader coverage than is afforded by such insurance (hereafter referred to as the "Underlying Pollution Coverage"). In the event that the "Underlying Pollution Coverage" is amended or deleted after the inception date of this policy, we must be so advised in writing within 14 days after the effective date of such amendment or deletion. Any amendment which broadens coverage under the "Underlying Pollution Coverage" shall not be binding upon us unless our agreement is acknowledged in writing by an authorized representative of the Company.

Signed by:

Authorized Representative

Date

Endorsement # 4

**Aircraft Products/Grounding Exclusion**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
AEC 5228803 00	04/01/2001	04/01/2002	04/01/2001	18232000	None	None

**Named Insured and Mailing Address:**

Intel Corporation  
 200 Mission College Blvd.  
 Santa Clara, CA 950541537

**Producer:**

Marsh USA, Inc.  
 1166 Avenue Of The Americas  
 New York, NY 100362774

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This policy does not apply to any liability, damage, loss, cost or expense included in the products/completed operations hazard and arising out of any "aircraft product" or the "grounding" of any aircraft.

"Aircraft product" means:

1. Aircraft (including missiles or spacecraft, and any ground support or control equipment used therewith);
2. Any article furnished by any insured or on behalf of any insured, and installed in an aircraft or used in connection with an aircraft, or for spare parts for an aircraft, including ground handling tools and equipment;
3. Any insured's products used at an airport for the purpose of guidance, navigation or direction of aircraft; and
4. Training aids, instructions, manuals, blueprints, engineering or other data or advice, and services and labor relating to such aircraft, articles or products.

"Grounding" means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft, by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft or any part thereof sold, handled or distributed by any insured or on behalf of any insured, or manufactured, assembled or processed by any other person or organization:

1. According to the specifications, plans, suggestions, orders, or drawings provided by any insured or on behalf of any insured; or
2. With tools, machinery or other equipment furnished to such persons or organizations by any insured or on behalf of any insured, whether such aircraft so withdrawn are owned or operated by the same or different persons, organizations or corporations.

Signed by:

Authorized Representative

Date

JUL 30 2002

Endorsement # 5

**Professional Services Exclusion (Revised)**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
AEC 5228803 00	04/01/2001	04/01/2002	04/01/2001	18232000	None	None

**Named Insured and Mailing Address:**

**Intel Corporation**  
**200 Mission College Blvd.**  
**Santa Clara, CA 950541537**

**Producer:**

**Marsh USA, Inc.**  
**1166 Avenue Of The Americas**  
**New York, NY 100362774**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This policy does not apply any liability, damage, loss, cost or expense arising out of any breach of duty, negligent act, error or omission in the rendering of or failure to render any professional services in the capacity designated below:

**Designated Capacity**

Professional Services as defined in I Coverage (F) and III Definitions (J) (J1) & J (2) of the controlling underlying policy.

Signed by:

Authorized Representative

Date

JUL 30 2002

Endorsement # 6

## California Changes

### Cancellation/Nonrenewal



ZURICH

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
AEC 5228803 00	04/01/2001	04/01/2002	04/01/2001	18232000	None	None

## Named Insured and Mailing Address:

Intel Corporation  
200 Mission College Blvd.  
Santa Clara, CA 950541537

## Producer:

Marsh USA, Inc.  
1166 Avenue of the Americas  
New York, NY 100362774

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITION C. Cancellation is deleted and replaced in its entirety by the following:

## C. Cancellation and Nonrenewal

## Cancellation

1. You may cancel this policy by mailing or delivering to us advance written notice of when cancellation shall be effective. Such notice shall be deemed to have been given by all insureds.
2. If this policy has been in effect for 60 days or less and it is not a renewal of a policy we issued, we may cancel this policy for any reason. A written notice of cancellation will be given, as provided in paragraph 5. of this endorsement, at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 60 days before the effective date of cancellation if we cancel for any reason other than nonpayment of premium.
3. If this policy has been in effect for 60 days or more or if it is a renewal of a policy we issued, we may cancel this policy only for:
  - a. Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
  - b. Discovery of fraud or material misrepresentation by:
    - (1) Any insured or his or her representative in obtaining this insurance; or
    - (2) Any insured or his or her representative in pursuing a claim under this policy.
  - c. A judgment by a court or an administrative tribunal that any insured has violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
  - d. Discovery of willfully or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by any insured or his or her representative, which materially increase any of the risks insured against.
  - e. Failure by any insured or his or her representative to implement reasonable loss control requirements, agreed to as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
  - f. A determination by the Commissioner of Insurance that the:
    - (1) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
    - (2) Continuation of the policy coverage would:
      - (a) Place us in violation of California law or the laws of the state where we are domiciled; or
      - (b) Threaten our solvency.

g. A change by any insured or his or her representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased, or changed risk is included in the policy.

If we cancel for reason **C.3.a.** or **C.3.b.** above, written notice of cancellation will be given at least 10 days before the effective date of the cancellation. If we cancel for one or more of the reasons **C.3.c.** through **C.3.g.** above, written notice of cancellation will be given at least 60 days before the effective date of the cancellation. Notice will be given as provided in paragraph **5.** of this endorsement.

4. If we cancel for nonpayment of premium, you may continue coverage and avoid the effect of the cancellation by payment in full at any time prior to the effective date of cancellation.

5. The written notice of cancellation:

- a. Will be mailed or delivered to you and the producer of record at the mailing address(es) last known to us. Proof of mailing will be deemed sufficient proof of notice. Mailing or delivery of the notice of cancellation to you shall be deemed to have been given to all insureds.
- b. Will state the reason(s) for cancellation.
- c. Will state the effective date of cancellation. The policy period will end on that date.

6. If this policy is canceled, any premium refund due will be sent to you for the account of all interests. Any premium refund due will be on a prorated basis if we cancel. If you cancel, the premium refund will be 90% of the prorated amount except when the minimum premium provision applies. Cancellation will be effective even if we have not offered a refund. The notice of cancellation will state that the excess of premium (if not tendered) will be refunded on demand.

**Nonrenewal**

1. If we elect not to renew this policy, we will mail or deliver notice of nonrenewal at least 60 days, but not more than 120 days, before the expiration or anniversary date of this policy. Such notice will be mailed or delivered to you, and the producer of record, at the address(es) last known to us. Proof of mailing will be sufficient proof of notice. Mailing or delivery of the notice of nonrenewal to you shall be deemed to have been given to all insureds.

We are not required to send notice of nonrenewal in any of the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with **Nonrenewal** paragraph 1.
- c. If you have obtained replacement coverage, or if you have agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If you request a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy.
- f. If we have made a written offer to you, in accordance with the time frames shown in the first paragraph of this provision, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

2. The notice of nonrenewal:

- a. Will state the reason(s) for nonrenewal.
- b. Will state the effective date of nonrenewal.

Signed by:

*Stephen D. Slaughter*

Authorized Representative

Date

*12/04/01*

Endorsement # 7

## Controlling Underlying Insurance Endorsement



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
AEC 5228803 00	04/01/2001	04/01/2002	04/01/2001	18232000	None	None

Named Insured and Mailing Address:

Intel Corporation  
200 Mission College Blvd.  
Santa Clara, CA 950541537

Producer:

Marsh USA, Inc.  
1166 Avenue Of The Americas  
New York, NY 100362774

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium paid, it is understood and agreed that Item 6. Underlying Insurance, paragraph A. Controlling Underlying Policy of the Declarations page is hereby deleted and replaced as follows:

## 6. Underlying Insurance: General Liability

## A. (1) Controlling Underlying Policy:

Insurance Company:	Winterthur International America Ins. Co.
Policy Number:	HFL 004-27-84-01
Policy Period:	From: 04/01/2001 To: 04/01/2002
Limits Of Insurance:	\$50,000,000 \$50,000,000 N/A
	Occurrence Other Aggregate Products/Completed Operations Aggregate

## A. (2) Controlling Underlying Policy: Aircraft Liability

Insurance Company:	Associated Aviation Underwriters
Policy Number:	SP409172
Policy Period:	From: 04/01/2001 To: 04/01/2002
Limits Of Insurance:	\$200,000,000 \$200,000,000 \$200,000,000
	Occurrence Other Aggregate Products/Completed Operations Aggregate

Signed by:

Authorized Representative

JUN 20 2003

Date



# Following Form Excess Liability Policy

## Zurich U.S.

Insurance is provided by the company designated on the declarations page of this policy.

The addresses of the Zurich U.S. companies are shown below:

**ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS**  
1400 American Lane  
Schaumburg, Illinois 60196-1056

**AMERICAN ZURICH INSURANCE COMPANY**  
1400 American Lane  
Schaumburg, Illinois 60196-1056

**AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY**  
One Liberty Plaza, 165 Broadway  
New York, New York 10006

Administrative Offices of all Zurich U.S. companies are  
located at 1400 American Lane, Schaumburg, Illinois 60196-1056

## Following Form Excess Liability Policy



There are provisions in this policy that restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such in the Controlling Underlying Policy, but only to the extent and within the scope for which such "insureds" qualify for coverage in the Controlling Underlying Policy.

In consideration of the payment of the premium and in reliance upon the statements in the Declarations and in accordance with the provisions of this policy we agree with you to provide coverage as follows:

### Insuring Agreements

#### SECTION I. COVERAGE

- A. We will pay on behalf of the insured the sums in excess of the total Underlying Limits of Insurance shown in Item 6.B. of the Declarations that the insured becomes legally obligated to pay as damages.
- B. This insurance applies only to damages covered by the Controlling Underlying Policy as shown in Item 6.A. of the Declarations. Except as otherwise provided by this policy, the coverage follows the definitions, terms, conditions, limitations, and exclusions of the Controlling Underlying Policy in effect at the inception of this policy.
- C. The amount we will pay for damages is limited as described in SECTION II. LIMITS OF INSURANCE.

#### SECTION II. LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules below describe the most we will pay regardless of the number of:
  - 1. Insured's;
  - 2. Claims made or suits brought; or
  - 3. Persons or organizations making claims or bringing suits.
- B. The Limits of Insurance of this policy will apply as follows:
  - 1. This policy applies only in excess of the Underlying Limits of Insurance shown in Item 6.B. of the Declarations.
  - 2. If our Limits of Insurance stated in Item 4. of the Declarations are less than the total Limits of Insurance stated in Item 4., the limits of our liability shall be that proportion of all damages which our Limits of Insurance bear to the total Limits of Insurance in Item 4. and which is in excess of the total underlying insurance limits as stated in Item 6.B. of the Declarations.
  - 3. Subject to Paragraph B. 2. above, the Occurrence Limit stated in Item 4.A. of the Declarations is the most we will pay for all damages arising out of any one occurrence to which this policy applies.
  - 4. Subject to Paragraphs B.2. and B.3. above, the limit stated in Item 4.C. of the Declarations for the Products/Completed Operations Aggregate is the most we will pay for all damages during our policy period under the products/ completed operations hazard.
  - 5. Subject to Paragraphs B.2. and B.3. above, the Other Aggregate Limit stated in Item 4.B. of the Declarations is the most we will pay for all damages, except for damages covered under the products/completed operations hazard, that are subject to an aggregate limit provided by the Controlling Underlying Policy. The Other Aggregate Limit applies separately and in the same manner as the aggregate limits provided by the Controlling Underlying Policy.
  - 6. Subject to Paragraphs B.2., B.3., B.4. and B.5. above, if the underlying Limits of Insurance stated in Item 6. of the Declarations are reduced or exhausted solely by payment of damages to which this policy applies, such insurance provided by this policy will apply in excess of the reduced Underlying Limits or, if all Underlying Limits are exhausted, will apply as underlying insurance subject to the same terms, conditions, definitions and exclusions of the Controlling Underlying Policy, except for the terms, conditions, definitions and exclusions of this policy.

7. The Limits of Insurance 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 preceding period for purposes of determining the Limits of Insurance.

### SECTION III. DEFENSE

- A. We will not be required to assume charge of the investigation of any claim or defense of any suit against you.
- B. We will have the right, but not the duty, to be associated with you or your underlying insurer or both in the investigation of any claim or defense of any suit which in our opinion may create liability on us for payment under this policy.
- C. If all Underlying Limits of Insurance stated in Item 6. of the Declarations are exhausted solely by payment of damages, we shall have the right but not the duty to investigate and settle any claim or assume the defense of any suit which in our opinion may give rise to a payment under this policy. We may, however, withdraw from the defense of such suit and tender the continued defense to you if our applicable Limits of Insurance stated in Item 4. of the Declarations are exhausted by payment of damages.

If we exercise our rights under Paragraphs B. or C. above, we will do so at our own expense, and any such expense payments will not reduce the Limits of Insurance provided by this policy.

### SECTION IV. EXCLUSIONS

This policy does not apply to any liability, damage, loss, cost or expense:

#### ASBESTOS

##### A. Arising out of:

1. The mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibers or materials containing asbestos;
2. Exposure to asbestos, asbestos fibers, or material containing asbestos; or
3. Any error or omission in supervision, instructions, recommendations, notices, warnings or advice given, or which should have been given, in connection with asbestos fibers or material containing asbestos.

#### POLLUTION

- B. 1. Arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to bodily injury or property damage arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- a. At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
- b. At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

2. Arising out of any:
  - a. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

As used in this exclusion:

1. A "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

**NUCLEAR**

- C. 1. With respect to which any 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, 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 Limits of Insurance; or
- 2. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
  - a. A person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
  - b. Any 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; or
- 3. Any injury or "nuclear property damage" 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, any insured; or
    - (ii) 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 any insured; or
  - c. The injury or "nuclear property damage" arises out of the furnishing by any 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 c. applies only to "nuclear property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

- 1. "Hazardous properties" include radioactive, toxic or explosive properties.
- 2. "Nuclear Facility" means:
  - a. Any "nuclear reactor";
  - b. Any equipment or device designed or used for:
    - (i) Separating the isotopes of uranium or plutonium,
    - (ii) Processing or utilizing "spent fuel", or
    - (iii) 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 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; or
  - 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;
- 3. "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- 4. "Nuclear property damage" includes all forms of radioactive contamination of property;
- 5. "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;
- 6. "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;

7. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
8. "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".

## SECTION V. CONDITIONS

### A. Appeals

In the event you or any underlying insurer elects not to appeal a judgment in excess of the amount of the Underlying Insurance, we may elect to appeal at our expense. If we do so elect, we will be liable for the costs and additional interest accruing during this appeal. In no event will this provision increase our liability beyond the applicable Limits of Insurance described in SECTION II. of this policy.

### B. Bankruptcy or Insolvency

The bankruptcy, insolvency or inability to pay of any insured will not relieve us from our obligation to pay damages covered by this policy.

In the event of bankruptcy, insolvency or refusal or inability to pay, of any underlying insurer, the insurance afforded by this policy will not replace such underlying insurance, but will apply as if all the limits of any underlying insurance is fully available and collectible.

### C. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. If we cancel because of non-payment of premium, we will mail or deliver to you not less than ten (10) days advance written notice when the cancellation is to take effect. If we cancel for any other reason, we will mail or deliver to you not less than sixty (60) days advance written notice stating when the cancellation is to take effect. Mailing notice to you at your mailing address shown in Item 2. of the Declarations will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. If we cancel, final premium will be calculated pro rata based on the time this policy was in force.
5. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force and our short rate cancellation table and procedure.
6. Premium adjustment may be made at the time of cancellation or as soon as practicable thereafter but the cancellation will be effective even if we have not made or offered any refund due you. Our check or our representative's check, mailed or delivered, will be sufficient tender of any refund due you.
7. The Named Insured in Item 1. of the Declarations will act on behalf of all other insureds with respect to the giving and receiving of notice of cancellation and the receipt of any premium refund that may become payable under this policy.

### D. Maintenance of Underlying Insurance

During the period of this policy, you agree:

1. To keep the policies making up the Total Limits of Underlying Insurance in Item 6.B. of the Declarations in full force and effect;
2. That the Limits of Insurance of the Underlying Insurance policies will be maintained except for any reduction or exhaustion of aggregate limits by payment of claims or suits for damages covered by Underlying Insurance;
3. The Underlying Insurance policies may not be canceled or not renewed by you without notifying us, and you agree to notify us in the event an insurance company cancels or declines to renew any Underlying Insurance policy;
4. Renewals or replacements of the Controlling Underlying Policy will not be materially changed without our agreement.

If you fail to comply with these requirements, we will only be liable to the same extent that we would have been had you fully complied with these requirements.

#### **E. Notice of Occurrence**

1. You must see to it that we are notified as soon as practicable of an occurrence which may result in damages covered by this policy. To the extent possible, notice will include:
  - a. How, when and where the occurrence took place;
  - b. The names and addresses of any injured persons and witnesses;
  - c. The nature and location of any injury or damage arising out of the occurrence.
2. If a claim or suit against any Insured is reasonably likely to involve this policy you must notify us in writing as soon as practicable.
3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation, settlement or defense of the claim or suit; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
4. The insureds will not, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### **F. Other Insurance**

If other insurance applies to damages that are also covered by this policy, this policy will apply excess of the other insurance. Nothing herein will be construed to make this policy subject to the terms, conditions and limitations of such other insurance. However, this provision will not apply if the other insurance is written to be excess of this policy.

Other insurance includes any type of self-insurance or other mechanism by which an insured arranges for funding of legal liabilities.

#### **G. Terms Conformed to Statute**

The terms of this policy which are in conflict with the statutes of the state where this policy is issued are amended to conform to such statutes. If we are prevented by law or statute from paying on behalf of the insured, then we will, where permitted by law or statute, indemnify the insured.

#### **H. When Damages are Payable**

Coverage under this policy will not apply unless and until the insured or the insured's underlying insurance has paid or is obligated to pay the full amount of the Underlying Limits of Insurance stated in Item 6.B. of the Declarations.

When the amount of damages is determined, we will promptly pay on behalf of the insured the amount of damages covered under the terms of this policy.



## In Witness Clause

In return for the payment of premium, and subject to all the terms of the policy, we agree with you to provide insurance as stated in this policy. This policy shall not be valid unless countersigned by the duly authorized Representative of the Company.

In Witness Whereof, this Company has executed and attested these presents, and where required by law, has caused this policy to be countersigned by its duly authorized Representative.

President

Corporate Secretary

American Guarantee and Liability Insurance Company

American Zurich Insurance Company

Zurich American Insurance Company of Illinois

Administrative Offices

Zurich Towers

1400 American Lane

Schaumburg, Illinois 60196-1056

**QUESTIONS ABOUT YOUR INSURANCE?** Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich U.S.  
Customer Inquiry Center  
1400 American Lane  
Schaumburg, Illinois 60196-1056  
1-800-382-2150 (Business Hours: 8am - 4pm [CT])

MAR-30-2001 15:21  
MARSH  
NAK, 29, 2001 1:37PM MSH

212 345 3697 P.02

212 NO. 447037 P. 2.02

**Marsh Global Broking**

1186 Avenue of the Americas, New York, NY 10036 (tel: (212) 345-5000; fax: (212) 345-3697)

**BINDER CONFIRMATION**

8 of Pages including attachments

Insured: Intel Corporation  
 Address: 200 Mission College Blvd.  
 1000 El Camino Real, Santa Clara, CA 95054-1537

It is hereby understood and agreed that coverage  
 is bound as follows:

**Self-Insured Retention:** N/A  
 (in Deductible Payer for each day)  
**Adjustable/Flat:** FIRE  
**Exposure Base:** N/A  
**Annual Premium:** \$135,000  
**Minimum Earned:** 25%  
**Payment Terms:** 30 Days

1. Insurance Company: Zurich North America  
 2. Issuing Carrier: American Guarantee & Life  
 Insurance Company  
 3. ADVISED: Yes  No  Insured Domicile  
 Yes  No  CAC Domicile  
 Yes  No  MGB Domicile

4. Underwriter: Bill Hughes  
 5. Date: 03/29/01

**Issuing Carrier Form #:**  
 U-EXS-100-A-CW (4/99)

**Amendments to the Form:**  
 Follow Form:

**Effective Date:** 04/01/01  
**Expiration Date:** 04/01/02  
**Coverage Type:** excess liability  
**Policy Form:** occurrence  
 (claim for occurrence)

**Number of Occurrences Reported:**  
**Retro Date:** (if app) N/A  
**Limits:**  
 \$50,000,000 per occurrence  
 \$50,000,000 aggregate where applicable  
 excess of  
 \$50,000,000 per occurrence  
 \$50,000,000 aggregate where applicable  
 excess of  
 underlying insurances  
 and self-insured retentions  
 as listed in the lead umbrella

**Additional Exclusions:**

Professional Services  
 Aircraft Products/Grounding

**Additional Endorsements:**

Absolute Pollution Follow Form  
 Following Form Endorsement  
 State Amendatory where applicable  
 Aviation Liability excess of \$200,000,000 per occurrence  
*Non Reduction of Aggregate Limit End.*

*Signed by [Signature]* 3/29/01  
 Date

Bill Hughes

Policy No. AEC 5228803-00**Required Underlying Limits:**

See Submissions

I agree that all Insurance Contracts and Premium Agreements subsequently issued shall conform to our binder.

Broker: Mark Manzi  
 MGB Office: New York Direct Dial #: 212-345-3656  
 Marsh Global Broking, a Division of Marsh & McLennan, Inc.

212 345 3697 P.03

MAR-30-2001 15:21  
MARSH MARSH

21210 447097 P. 7.09

endorsement # &lt;endtabr&gt;



## Professional Services Exclusion



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
<polnbr>	<effdt>	<expdt>	<enddt>	<prodnbr>	<prem>	<prem>

## Named Insured and Mailing Address:

<insdbname>  
<insdaddr1>  
<insdaddr2>  
<insdaddr3>

## Producer:

<prodname>  
<prodaddr1>  
<prodaddr2>  
<prodaddr3>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This policy does not apply to any liability, damage, loss, cost or expense arising out of any breach of duty, negligent act, error or omission in the rendering of or failure to render any professional services in the capacity designated below:

Designated Capacity

Professional Services as defined in I Coverage  
(F) and III Definitions (J)(1) & J(2)

Signed by: \_\_\_\_\_  
Authorized Representative

Date

MAR-30-2001 15:21 MAY 1 2001 1:30PM MHRSH

212 345 3897 P.04

212NC 447097 P. 5.12

Endorsement # &lt;endnbr&gt;



ZURICH

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prod.	Resale Prod.
<polno>	<effd>	<expid>	<endef>	<prodno>	<prodd>	<prodr>

Named Insured and Mailing Address:

<insdbnm>  
<insdaddr1>  
<insdaddr2>  
<insdaddr3>

Producer:

<prodnm>  
<prodaddr1>  
<prodaddr2>  
<prodaddr3>

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTION IV. - EXCLUSIONS, EXCLUSION B. is deleted in its entirety and replaced by the following:

B. 1. Arising directly or indirectly out of the actual, alleged or threatened existence, discharge, seepage, migration, disposal, release or escape of "pollutants."

2. Arising out of any:

- Request, demand, or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants;" or
- Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants."

As used in this endorsement, "pollutants" means any man-made or naturally occurring solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to: smoke, vapor, soot, fumes, acids, alkalies, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

However, it is agreed that this exclusion does not apply to any liability, damage, loss, cost or expense described above for which coverage is afforded under (FILL IN UMBRELLA INSURANCE COMPANY NAME) Policy No. (FILL IN UMBRELLA POLICY NUMBER) and then for no broader coverage than is afforded by such insurance (hereafter referred to as the "Underlying Pollution Coverage"). In the event that the "Underlying Pollution Coverage" is amended or deleted after the inception date of this policy, we must be so advised in writing within 14 days after the effective date of such amendment or deletion. Any amendment which broadens coverage under the "Underlying Pollution Coverage" shall not be binding upon us unless our agreement is acknowledged in writing by an authorized representative of the Company.

Signed by:

Authorized Representative

Date

212 345 3597 P.05

MAR-30-2001 15:21  
MAR-30-2001 15:21  
Endorsement # condlnbrMAR-30-2001 15:21  
MAR-30-2001 15:21

212NC 447097 P. 4.11



ZURICH

## FOLLOWING FORM ENDORSEMENT

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
<polntr>	<effdd>	<expdd>	<enddd>	<prodmm>	<aprem>	<rpren>

## Named Insured and Mailing Address:

<insaddrnam>  
<insaddr1>  
<insaddr2>  
<insaddr3>

## Producer:

<prodmm>  
<prdaddr1>  
<prdaddr2>  
<prdaddr3>

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

A. This policy follows the exact terms and conditions of the \_\_\_\_\_ policy number \_\_\_\_\_ except with respect to:

1. The Limits of Liability of this policy shall be:

a. Each Occurrence	\$,000,000
b. Other Aggregate(s)	\$,000,000

The Limits of Liability of this policy apply in excess of the Limits shown in Item 6. of the Declarations.

2. The premium of this Policy shall be:

a. Advance premium	\$
b. Annual Minimum Premium	\$

3. Policy SECTION IV. EXCLUSIONS - ASBESTOS, A. and NUCLEAR, C.

4. Any Coverage Modification Endorsement attached to this policy.

B. Except as noted above, All preprinted terms and conditions of Form U-EXS-100-A-CW (4/98) are deleted to the extent they are inconsistent with the terms and conditions of the policy number \_\_\_\_\_.

C. Nothing contained in this Endorsement shall obligate us to provide a duty to defend any claim or suit before the Underlying Insurance Limits shown in Item 6. of the Declarations are exhausted by payment of judgments or settlements.

Countersigned \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Representative

01/01/01

MAR 30 2001 15:22 P. 06

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AM. 2001 11:30PM

MAR 7

ASH

212 NO. 447037 P. 3.10

Endorsement # &lt;endorse&gt;



## Aircraft Products/Grounding Exclusion

ZURICH

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Premium	Return Premium
<polnum>	<effdate>	<expdate>	<enddate>	<producer>	<prem>	<prem>

Named Insured and Mailing Address:

<namedbname>  
 <namedaddr1>  
 <namedaddr2>  
 <namedaddr3>

Producer:

<prodname>  
 <prodaddr1>  
 <prodaddr2>  
 <prodaddr3>

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This policy does not apply to any liability, damage, loss, cost or expense included in the products/completed operations hazard and arising out of any "aircraft product" or the "grounding" of any aircraft.

"Aircraft product" means:

1. Aircraft (including missiles or spacecraft, and any ground support or control equipment used therewith);
2. Any article furnished by any insured or on behalf of any insured, and installed in an aircraft or used in connection with an aircraft, or for spare parts for an aircraft, including ground handling tools and equipment;
3. Any insured's products used at an airport for the purpose of guidance, navigation or direction of aircraft; and
4. Training aids, instructions, manuals, blueprints, engineering or other data or advice, and services and labor relating to such aircraft, articles or products.

"Grounding" means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft, by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft or any part thereof sold, handled or distributed by any insured or on behalf of any insured, or manufactured, assembled or processed by any other person or organization:

1. According to the specifications, plans, suggestions, orders, or drawings provided by any insured or on behalf of any insured; or
2. With tools, machinery or other equipment furnished to such persons or organizations by any insured or on behalf of any insured, whether such aircraft so withdrawn are owned or operated by the same or different persons, organizations or corporations.

Signed by:

Authorized Representative

Date

MAR-30-2001 15:22

MARSH

212 345 3697 P.07

MAR 29 2001 1:38PM

MARSH

212 N0. 447097 P. 6.13

Endorsement # &lt;endnbr&gt;



## Non-Reduction of Aggregate Limit Endorsement

**ZURICH**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
<polnbr>	<effdt>	<expdt>	<endedt>	<prodmc>	<aprem>	<rprom>

**Named Insured and Mailing Address:**

<ndaddbeam>  
 <ndaddr1>  
 <ndaddr2>  
 <ndaddr3>

**Producer:**

<prodnum>  
 <prodaddr1>  
 <prodaddr2>  
 <prodaddr3>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

In consideration of the premium charged it is agreed that with respect to any aggregate limit of liability contained in the Controlling Underlying Policy, or any Underlying Insurance which this policy applies excess of, for the purpose of the coverage provided in this policy, such aggregate limit contained in the Controlling Underlying Policy, or any Underlying Insurance which this policy applies excess of shall not be reduced as a result of claims or occurrences for which coverage is not provided by this policy.

All other terms and conditions shall remain the same.

MAR-30-2001 15:22

MARSH



ZURICH

## Following Form Excess Liability Policy

### Declarations

AMERICAN GUARANTEE & LIABILITY INSURANCE COMPANY  
 AMERICAN ZURICH INSURANCE COMPANY  
 ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS

<co3\_x>  
 <co2\_x>  
 <co8\_x>

Policy Number: &lt;poinbr&gt;

Renewal of Number: &lt;renl\_nbr&gt;

Producer: <prdrnam>  
 <prdraddr1>  
 <prdraddr2>  
 <prdraddr3>

3. Policy Period: FROM: <effdt> TO: <expdt>  
 at 12:01 A.M. Standard Time at the address of the Named Insured.

4. Limits Of Insurance: A.

Occurrence

Other Aggregate  
 Products/Completed  
 Operations Aggregate

B.

C.

5. Policy Premium:

Advance Premium	\$
Policy Minimum Earned Premium	\$

6. Underlying Insurance:

A. Controlling Underlying Policy:

Insurance Company:

Policy Number:

Policy Period: From: &lt;effdt&gt; To: &lt;expdt&gt;

Occurrence

Other Aggregate  
 Products/Completed  
 Operations Aggregate

Limits Of Insurance: \$

\$

\$

B. Total Limits Of All Underlying Insurance, Including The Controlling Underlying Policy Which This Policy Applies  
 Excess Of:

\$

\$

\$

Occurrence

Other Aggregate  
 Products/Completed  
 Operations Aggregate

7. Endorsements Attached: See Attached Schedule Of Forms And Endorsements

Signed by:

Authorized Representative

Date

## Following Form Excess Liability Policy



There are provisions in this policy that restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such in the Controlling Underlying Policy, but only to the extent and within the scope for which such "insureds" qualify for coverage in the Controlling Underlying Policy.

In consideration of the payment of the premium and in reliance upon the statements in the Declarations and in accordance with the provisions of this policy we agree with you to provide coverage as follows:

### Insuring Agreements

#### SECTION I. COVERAGE

- A. We will pay on behalf of the insured the sums in excess of the total Underlying Limits of Insurance shown in Item 6. B. of the Declarations that the insured becomes legally obligated to pay as damages.
- B. This insurance applies only to damages covered by the Controlling Underlying Policy as shown in Item 6. A. of the Declarations. Except as otherwise provided by this policy, the coverage follows the definitions, terms, conditions, limitations, and exclusions of the Controlling Underlying Policy in effect at the inception of this policy.
- C. The amount we will pay for damages is limited as described in SECTION II. LIMITS OF INSURANCE.

#### SECTION II. LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules below describe the most we will pay regardless of the number of:
  1. Insured's;
  2. Claims made or suits brought; or
  3. Persons or organizations making claims or bringing suits.
- B. The Limits of Insurance of this policy will apply as follows:
  1. This policy applies only in excess of the Underlying Limits of Insurance shown in Item 6. B. of the Declarations.
  2. If our Limits of Insurance stated in Item 4. of the Declarations are less than the total Limits of Insurance stated in Item 4., the limits of our liability shall be that proportion of all damages which our Limits of Insurance bear to the total Limits of Insurance in Item 4. and which is in excess of the total underlying insurance limits as stated in Item 6. B. of the Declarations.
  3. Subject to Paragraph B. 2. above, the Occurrence Limit stated in Item 4. A. of the Declarations is the most we will pay for all damages arising out of any one occurrence to which this policy applies.
  4. Subject to Paragraphs B.2. and B.3. above, the limit stated in Item 4.C. of the Declarations for the Products/Completed Operations Aggregate is the most we will pay for all damages during our policy period under the products/ completed operations hazard.
  5. Subject to Paragraphs B.2. and B.3. above, the Other Aggregate Limit stated in Item 4.B. of the Declarations is the most we will pay for all damages, except for damages covered under the products/ completed operations hazard, that are subject to an aggregate limit provided by the Controlling Underlying Policy. The Other Aggregate Limit applies separately and in the same manner as the aggregate limits provided by the Controlling Underlying Policy.

6. Subject to Paragraphs B. 2., B. 3., B.4. and B. 5. above, if the underlying Limits of Insurance stated in Item 6. of the Declarations are reduced or exhausted solely by payment of damages to which this policy applies, such insurance provided by this policy will apply in excess of the reduced Underlying Limits or, if all Underlying Limits are exhausted, will apply as underlying insurance subject to the same terms, conditions, definitions and exclusions of the Controlling Underlying Policy, except for the terms, conditions, definitions and exclusions of this policy.
7. The Limits of Insurance 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 preceding period for purposes of determining the Limits of Insurance.

### SECTION III. DEFENSE

- A. We will not be required to assume charge of the investigation of any claim or defense of any suit against you.
- B. We will have the right, but not the duty, to be associated with you or your underlying insurer or both in the investigation of any claim or defense of any suit which in our opinion may create liability on us for payment under this policy.
- C. If all Underlying Limits of Insurance stated in Item 6. of the Declarations are exhausted solely by payment of damages, we shall have the right but not the duty to investigate and settle any claim or assume the defense of any suit which in our opinion may give rise to a payment under this policy. We may, however, withdraw from the defense of such suit and tender the continued defense to you if our applicable Limits of Insurance stated in Item 4. of the Declarations are exhausted by payment of damages.

If we exercise our rights under Paragraphs B. or C. above, we will do so at our own expense, and any such expense payments will not reduce the Limits of Insurance provided by this policy.

### SECTION IV. EXCLUSIONS

This policy does not apply to any liability, damage, loss, cost or expense:

#### ASBESTOS

##### A. Arising out of:

1. The mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibers or materials containing asbestos;
2. Exposure to asbestos, asbestos fibers, or material containing asbestos; or
3. Any error or omission in supervision, instructions, recommendations, notices, warnings or advice given, or which should have been given, in connection with asbestos fibers or material containing asbestos.

#### POLLUTION

- B. 1. Arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to bodily injury or property damage arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- a. At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
- b. At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

2. Arising out of any:
  - a. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

As used in this exclusion:

1. A "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

## NUCLEAR

- C. 1. With respect to which any 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, 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 Limits of Insurance; or
2. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
  - a. A person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
  - b. Any 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; or
3. Any injury or "nuclear property damage" 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, any insured; or
    - (ii) 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 any insured; or
  - c. The injury or "nuclear property damage" arises out of the furnishing by any 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 c. applies only to "nuclear property damage" to such "nuclear facility" and any property thereof.

As used in this exclusion:

1. "Hazardous properties" include radioactive, toxic or explosive properties.
2. "Nuclear Facility" means:
  - a. Any "nuclear reactor";
  - b. Any equipment or device designed or used for:
    - (i) Separating the isotopes of uranium or plutonium,
    - (ii) Processing or utilizing "spent fuel", or
    - (iii) 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 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; or
  - 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;
3. "Nuclear material" means "source material", "special nuclear material" or "by-product material";
4. "Nuclear property damage" includes all forms of radioactive contamination of property;

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5. "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;
6. "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;
7. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;
8. "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".

## SECTION V. CONDITIONS

### A. Appeals

In the event you or any underlying insurer elects not to appeal a judgment in excess of the amount of the Underlying Insurance, we may elect to appeal at our expense. If we do so elect, we will be liable for the costs and additional interest accruing during this appeal. In no event will this provision increase our liability beyond the applicable Limits of Insurance described in SECTION II. of this policy.

### B. Bankruptcy or Insolvency

The bankruptcy, insolvency or inability to pay of any insured will not relieve us from our obligation to pay damages covered by this policy.

~~In the event of bankruptcy, insolvency or refusal or inability to pay, of any underlying insurer, the insurance afforded by this policy will not replace such underlying insurance, but will apply as if all the limits of any underlying insurance is fully available and collectible.~~

### C. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. If we cancel because of non-payment of premium, we will mail or deliver to you not less than ten (10) days advance written notice when the cancellation is to take effect. If we cancel for any other reason, we will mail or deliver to you not less than sixty (60) days advance written notice stating when the cancellation is to take effect. Mailing notice to you at your mailing address shown in Item 2. of the Declarations will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. If we cancel, final premium will be calculated pro rata based on the time this policy was in force.
5. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force and our short rate cancellation table and procedure.
6. Premium adjustment may be made at the time of cancellation or as soon as practicable thereafter but the cancellation will be effective even if we have not made or offered any refund due you. Our check or our representative's check, mailed or delivered, will be sufficient tender of any refund due you.
7. The Named Insured in Item 1. of the Declarations will act on behalf of all other insureds with respect to the giving and receiving of notice of cancellation and the receipt of any premium refund that may become payable under this policy.

### D. Maintenance of Underlying Insurance

During the period of this policy, you agree:

1. To keep the policies making up the Total Limits of Underlying Insurance in Item 6.B. of the Declarations in full force and effect;

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2. That the Limits of Insurance of the Underlying Insurance policies will be maintained except for any reduction or exhaustion of aggregate limits by payment of claims or suits for damages covered by Underlying Insurance;
3. The Underlying Insurance policies may not be canceled or not renewed by you without notifying us, and you agree to notify us in the event an insurance company cancels or declines to renew any Underlying Insurance policy;
4. Renewals or replacements of the Controlling Underlying Policy will not be materially changed without our agreement.

If you fail to comply with these requirements, we will only be liable to the same extent that we would have been had you fully complied with these requirements.

#### **E. Notice of Occurrence**

1. You must see to it that we are notified as soon as practicable of an occurrence which may result in damages covered by this policy. To the extent possible, notice will include:
  - a. How, when and where the occurrence took place;
  - b. The names and addresses of any injured persons and witnesses;
  - c. The nature and location of any injury or damage arising out of the occurrence.
2. If a claim or suit against any Insured is reasonably likely to involve this policy you must notify us in writing as soon as practicable.
3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation, settlement or defense of the claim or suit; and
4. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

4. The insureds will not, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### **F. Other Insurance**

If other insurance applies to damages that are also covered by this policy, this policy will apply excess of the other insurance. Nothing herein will be construed to make this policy subject to the terms, conditions and limitations of such other insurance. However, this provision will not apply if the other insurance is written to be excess of this policy.

Other insurance includes any type of self-insurance or other mechanism by which an insured arranges for funding of legal liabilities.

#### **G. Terms Conformed to Statute**

The terms of this policy which are in conflict with the statutes of the state where this policy is issued are amended to conform to such statutes. If we are prevented by law or statute from paying on behalf of the insured, then we will, where permitted by law or statute, indemnify the insured.

#### **H. When Damages are Payable**

Coverage under this policy will not apply unless and until the insured or the insured's underlying insurance has paid or is obligated to pay the full amount of the Underlying Limits of Insurance stated in Item 6. B. of the Declarations.

When the amount of damages is determined, we will promptly pay on behalf of the insured the amount of damages covered under the terms of this policy.