



CONTRACTORS POLLUTION LIABILITY OCCURRENCE POLICY

This policy provides **defense within limits** coverage. Various provisions in this policy 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 shown in the Declarations, and any other person or organization qualifying as an Insured under this policy. The words, "we", "us" and "our" refer to Liberty Insurance Underwriters, Inc. but not to other members of the Liberty Mutual Group.

Other words and phrases that appear in quotation marks have special meaning. Refer to **DEFINITIONS (Section VI)**

SECTION I - COVERAGES

1. Insuring Agreement

We will pay on your behalf those sums the "insured" becomes legally obligated to pay for "loss" arising from "pollution conditions" caused by "covered operations" performed by the "insured" or any entity for which the "insured" is legally liable.

This insurance applies only to "bodily injury", "environmental damage" or "property damage" that occurs during the policy period.

Progressive, continuous, intermittent or indivisible "bodily injury", "environmental damage" or "property damage" that occurs over a period of days, weeks, months or longer caused by "pollution conditions" shall be deemed to have occurred only on the date of first exposure to such "pollution conditions". The date of first exposure is:

- a. in the case of "bodily injury", the date of the first exposure of any person to the "pollutants"; and
- b. in the case of "environmental damage" or "property damage", the date of the first discharge, dispersal, seepage, migration, release or escape of the "pollutants".

If the date of first exposure as described above is before the inception date of the first policy issued to you by us providing coverage for "bodily injury", "environmental damage" or "property damage" caused by "pollution conditions" resulting from "covered operations", or can not be immediately determined, but the progressive, continuous, intermittent or indivisible "bodily injury", "environmental damage" or "property damage" continues in fact to exist during this policy period, the date of first exposure will be deemed to have occurred only on the inception date of the first policy issued to you by us that is applicable to the "covered operations" from which the "bodily injury", "environmental damage" or "property damage" caused by "pollution conditions" arose. Further, no other policy issued to you by us will be applicable to the "covered operations" from which the "bodily injury", "environmental damage" or "property damage" caused by "pollution conditions" arose.

2. Investigation, Defense and Settlement

Investigation and Defense

We will have the right and the duty to defend the "insured" against any "claim" brought within the US, its territories or possessions, Puerto Rico or Canada seeking those sums to which this insurance applies; and the right but not the duty to defend the "insured" against any "claim" made in a "non-admitted jurisdiction". We may at our discretion investigate any incident, circumstance or event regardless of whether any "claim" has been made.

With respect to any “claim” we defend, we will pay “defense expense” for the investigation, contest, defense or appeal of a specific “claim”. We have the absolute right to select and appoint counsel to represent any “insured”. All our duties under this policy, including our duty to defend, end when the applicable Limits of Insurance are exhausted. This applies to “claims” pending at the time and those filed thereafter. “Defense expenses” are included in “loss”, reduce the applicable limits of liability and are included within the Deductible stated in the Declarations.

Consent to Settlement

We shall not settle any “claim”, without the consent of the “insured” to which the offer is made. If, however, that “insured” refuses to consent to any settlement recommended by us and elects to contest the “claim” or continue any legal proceedings in connection with such “claim”, our liability for “loss” shall not exceed the amount for which the “claim” could have been settled plus “defense expense” incurred up to the date of such refusal, less the deductible or the outstanding Deductible balance.

Independent Counsel

If, by mutual agreement or by law, the “insured” is entitled to select defense counsel to defend any “claim” at our expense, the attorney fees and all other litigation expenses we must pay to that counsel are limited to the rates we would actually pay to counsel that we retain in the ordinary course of business in the defense of similar “claims” in the community where the “claim” arose or is being defended. We will have the right to require that such counsel have certain minimum qualifications with respect to competency, including experience in defending claims similar to the one pending against the “insured”, and to require such counsel to have errors and omissions insurance coverage. The “insured” agrees that such independent counsel will timely respond to our requests for information regarding any “claim”.

SECTION II - EXCLUSIONS

This insurance does not apply to:

1. Contractual Liability

“Loss” arising from the “insured’s” assumption of liability in a contract or agreement. This exclusion does not apply to liability for “loss”:

- a. assumed in a contract or agreement that is an “insured contract”, provided the “bodily injury”, “environmental damage” or “property damage” occurs subsequent to the execution and before the termination of the contract or agreement; or
- b. that the “insured” would have in the absence of the contract or agreement.

2. Criminal Fines and Penalties

“Loss” arising from criminal fines, criminal penalties or criminal assessments.

3. Damage to Your Product and Your Work

“Loss” arising from damage to “your product” or to “your work” or any part of “your product” or “your work”.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed by any entity for which you are legally liable.

4. Employers Liability

“Loss” arising from “bodily injury” to:

- a. An employee of an “insured” arising out of and in the course of employment by the “insured” or performing duties related to the conduct of the “insured’s” business; or

- b. Any person whose right to assert a “claim” against the “insured” arises by reason of any employment, blood, marital or other relationship with the employee.

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

This exclusion does not apply to liability assumed by the “insured” under an “insured contract”.

5. Insured vs. Insured

“Loss” arising from any “claim” made by or on behalf of an “insured”, including any trustee in bankruptcy, receiver or any other successor-in-interest to the “insured”, against any other “insured”.

This exclusion shall not apply with respect to:

- a. “claims” against you made by any “insured” who is a client for whom the “insured” or any entity for which you are legally liable is performing or has performed “covered operations”; or
- b. “claims” that arise out of an indemnification given by one “insured” to another “insured” in an “insured contract”.

6. Intentional and Illegal Acts

“Loss” arising from any dishonest, criminal, fraudulent, malicious, intentional or illegal act or omission of any “responsible insured”.

7. Known Circumstances and Non Disclosure

“Loss” arising from any “pollution conditions” caused by “covered operations” which occurred prior to the inception date of this policy, if any “responsible insured” knew or could have reasonably foreseen that such “pollution conditions” would give rise to a “claim” and did not disclose such to us.

8. Noncompliance

“Loss” arising from any “responsible insured's” intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body.

9. Owned Property

“Loss” arising from “property damage” or “clean-up costs” to real or personal property owned, leased, loaned or rented by or to the “insured”. However this exclusion does not apply to:

- a. “property damage” or “clean-up costs” to real or personal property of others in your care, custody or control for the purpose of having “covered operations” performed on such property; or
- b. any person or organization qualifying as a client of the named insured under the definition of “insured”.

10. Products Liability

“Loss” arising from “your product”.

11. Professional Services

“Loss” arising from the performance of or failure to perform professional services or providing or failing to provide professional advice, whether or not that service or advice is ordinary to the “insured’s” business, regardless of whether a “claim” is made by a client or any other person or organization.

This exclusion does not apply to improper or inadequate supervision of any entity for which you are legally liable when performing “covered operations” at a job site.

12. Radioactive Matter

“Loss” arising from the actual, alleged or threatened exposure of person(s) or property to any radioactive matter, whether naturally occurring or otherwise.

13. Related or Affiliated Entities

“Loss” arising from any “insured’s” involvement in “covered operations” performed by or on behalf of any business enterprise not named in the Declarations that wholly or partly owns the “insured” or which to any extent controls, operates, or manages the “insured”, or that is wholly or partly owned by an “insured”, or in which an “insured” is an officer, partner or employee, or which is to any extent controlled, operated, or managed by the “insured”.

14. Vehicles

“Loss” arising from the ownership, maintenance, use, operation, or entrustment to others of any “auto” aircraft, mobile equipment, watercraft, rolling stock or any other transportation mode. Use includes loading and unloading.

This exclusion does not apply to “loss” arising from the ownership, maintenance, use, operation, or entrustment to others of any “auto”, aircraft, mobile equipment, watercraft, rolling stock or any other transportation mode used in the performance of “covered operations” within the boundaries of a job site.

15. Transported Materials

“Loss” arising from any waste or any products or materials transported, shipped, or delivered via “auto”, aircraft, mobile equipment, watercraft, rolling stock or any other transportation mode, to a location beyond the boundaries of a site at which the “insured” or any entity for which you are legally liable is performing or has performed “covered operations”.

16. Workers Compensation

“Loss” arising from any obligation of the “insured” under workers' compensation, unemployment compensation or disability benefits law or similar law.

SECTION III - COVERAGE TERRITORY

This policy applies to “claims” made anywhere in the world except; Afghanistan, Angola, Cuba, Haiti, Iran, Iraq, Libya, North Korea or the Federal Republic of Yugoslavia (Serbia and Montenegro).

SECTION IV - LIMITS OF LIABILITY AND DEDUCTIBLE

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of “insureds”, “pollution conditions”, “claims” made; or persons or organizations making “claims”.

The Limits of Insurance apply to the entire policy period and not separately to any portion (whether annual or otherwise) thereof. If the policy period is extended after policy issuance, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

1. Policy Aggregate Limit

The policy Aggregate Limit stated in the Declarations is the most we will pay for the sum of all “loss” covered under this policy.

2. Each Incident Limit

Subject to the Aggregate Limit, the Each Incident Limit stated in the Declarations is the most we will pay for the sum of all “loss” arising from any one “pollution condition” or the same, related or continuous “pollution conditions”.

3. Multiple Policy Periods, Multiple Claims

If the same, related or continuous “pollution conditions” result in “bodily injury”, “environmental damage” or “property damage” which occurs during the policy periods of different Contractors Pollution Liability policies we or an affiliate have issued to you:

- a. all such “bodily injury”, “environmental damage” or “property damage” shall be deemed to have occurred only during the first policy period of such Contractors Pollution Liability policies in which any of the “bodily injury”, “environmental damage” or “property damage” occurred; and
- b. all “loss” arising from all such “bodily injury”, “environmental damage” or “property damage”, shall be subject to the Each Incident Limit applicable under the policy described in paragraph 3.a. above.

4. Deductible

Our obligation to make payments under this insurance for “loss” is excess of the deductible amount stated in the Declarations of this policy.

We may advance payment of part or all of the deductible and, upon notification of such payment made, the “named insured” shall promptly reimburse us within thirty (30) days. The “named insured” stated in the Declarations is responsible for the payment of all deductible amounts on behalf of all persons or organizations insured. Payment of “loss” within the deductible will not create any obligations or be construed as a waiver or estoppel of our rights under the policy.

The deductible amount applies to all “loss” arising from the same, related, or continuous “pollution conditions”.

5. Mediation

If the “named insured” and the company jointly agree to utilize “mediation” as a means to resolve a “claim” made against the “insured”, and if such “claim” is resolved as a direct result of and during such “mediation”, the deductible obligation stated in the Declarations shall be reduced by 50% subject to a maximum reduction of \$20,000. The company shall reimburse the “named insured” for any such reimbursable deductible payments made prior to the “mediation” as soon as practical after the conclusion of such “mediation”.

SECTION V – CONDITIONS

1. Arbitration

Any dispute, controversy or “claim” arising out of or relating to this policy shall be finally and fully resolved through arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The arbitrator(s) and the number of arbitrators shall be chosen in the manner and within the time frames provided by such rules.

The arbitration proceeding shall take place in the “named insured’s” state of domicile or in the domicile of the “insured”, person or entity seeking relief from us or from whom we are seeking relief. The arbitrator(s) shall give due consideration to the general principles of the law of the “named insured’s” state of domicile in the construction and interpretation of the provisions of the policy; provided, however, that the terms, conditions, provisions and

exclusions of this policy are to be construed in an evenhanded fashion as between the parties. Where the language of this policy is alleged to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant terms, conditions, provisions or exclusions of the policy (without regard to the authorship of the language, the doctrine of reasonable expectation of the parties and without any presumption or arbitrary interpretation or construction in favor of either party or parties, and in accordance with the intent of the parties).

The written decision of the arbitrator(s) shall set forth its reasoning, and it shall be provided simultaneously to both parties and shall be binding on them. The arbitrators' award shall not include attorney fees or other costs. Judgment on the award may be entered in any court of competent jurisdiction. Each party shall bear equally the expenses of arbitration.

2. Audit of Books and Records

We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three (3) years afterwards.

3. Bankruptcy

Bankruptcy or insolvency of the "insured" or of the "insured's" estate will not relieve us of our obligations under this policy.

4. Cancellation

- a. The "named insured" shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy only for the reasons stated below by mailing or delivering to the "named insured" written notice of cancellation at least 10 days before the effective date of cancellation if we cancel for nonpayment of premium or 60 days before the effective date of cancellation if we cancel for any other reason.
 1. Material misrepresentation by the "insured".
 2. The "insured's" failure to comply with the material terms, conditions or contractual obligations under this policy.
 3. Non-payment of premium by the "named insured".
 4. A material change in "covered operations" during the policy period that materially increases the risk insured under this policy.
- c. We will mail or deliver our notice to the "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 "named insured" any premium refund due. If we cancel, the refund will be pro rata. If the "named insured" cancels, the refund may be less than pro rata. 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.

5. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The "named insured" shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

6. Currency Provision

The Limits of Insurance and premiums shown in this policy are either United States of America or Canadian currency, contingent upon country of issuance, unless otherwise stated in the Declarations.

Any payments we make will be in the currency shown in the Declarations for the applicable Limits of Insurance.

At our sole option and upon your request, we will make payment in the currency requested. In doing so we will convert the value of applicable payment to the currency requested at the free rate of exchange as published in the Wall Street Journal in effect on the date the "claim" is made.

Upon converting the currency, we will apply all other terms and conditions of this policy to determine the amount of our final loss obligation, but in no event will we pay more than the Limits of Insurance shown in the Declarations.

7. Duties in the Event of any Incident, Circumstance, Event or Claim.

- a. You must see to it that we are notified in writing as soon as practicable of any "pollution conditions" which may reasonably result in a "claim".

To the extent possible, notice should contain particulars sufficient to identify the "insured" and claimant and provide full information with respect to the time, place and circumstances regarding the "pollution conditions" complained of, and the names and addresses of the injured and all available witnesses.

Notice of such "pollution conditions" is not notice of a "claim".

- b. If a "claim" is received by any "insured", you must:

1. Immediately record the specifics of the "claim" and the date received; and
2. You must see to it that we receive written notice of the "claim" as soon as practicable, but in no event later than the end of this policy period.

- c. You and any other involved "insured" must:

1. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
2. Authorize us to obtain records and other information;
3. Cooperate with us in the investigation, settlement or defense of the "claim"; 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.

- d. Notice of incidents, circumstances, events or "claims" must be sent to:

Manager, Environmental Claims
Liberty International Underwriters
55 Water Street, 18th Floor
New York, NY 10041

- e. The "insured" shall have the duty to incur "mitigation expense" and to clean-up "pollution conditions" to the extent required by "environmental laws", by retaining competent professional(s) or contractor(s) mutually acceptable to us and the "named insured". We shall have the right but not the duty to review and approve all such actions. The "named insured" shall notify us of actions and measures taken pursuant to this paragraph.

8. Duties of Named Insured

The "named insured" shown in the Declarations shall act for all "insureds" for the following purposes:

- a. To pay all premiums and deductibles when due and be the payee for any return premiums we pay;
- b. To give written notice of any incident, circumstance or event which may reasonably result in a “claim” and/or any “claim” in accordance with the policy;
- c. To give and receive notice of cancellation and non-renewal;
- d. To request changes made to the policy and to receive and accept any endorsements to this policy; and
- e. To report changes in scope or nature of “covered operations” to us.

9. False or Fraudulent Claims

If the “insured” reports a “claim” knowing such “claim” to be false or fraudulent, this policy shall become void and all insurance coverage hereunder shall be forfeited.

10. Inspections and Surveys

We have the right but are not obligated to make inspections, surveys, give you reports on the conditions we find and recommend changes at any time. Any inspections, surveys, reports or recommendations relate only to insurability of the risk and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions are safe or healthful; or comply with laws, regulations, codes or standards. This condition applies not only to us, but also to our representatives who conduct such inspections, surveys and reports for us.

11. Joint Duties in a Non-admitted Jurisdiction

For “loss” arising in a “non-admitted jurisdiction”, you must report such “claim” for “loss” to an office of ours located within the United States or with our prior written consent to our local branch or affiliate office. We have the right but not the duty to investigate, defend or settle such “claim(s)” for “loss”.

If we do not exercise the right to investigate, defend or settle such “claim(s)” for “loss”, you may under our supervision:

- a. make such investigation and defense as is reasonably necessary; and
- b. effect settlement of such “claim(s)” for “loss”.

We shall reimburse you for the reasonable cost of such actions, subject to all other terms and conditions of the policy.

This insurance shall not serve as proof of insurance in any country where non-admitted insurance is prohibited by local applicable law or without our prior written consent.

We may issue, at our sole discretion, proof of insurance documents to a third party upon your request, but we are not obligated to do so.

12. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a “claim” asking for damages from an “insured”; or
- b. To bring an action under this policy unless all of its terms have been fully complied with.

A person or organization may bring an action to recover on an agreed settlement or on a final judgment against an “insured” obtained after an actual trial in a civil, arbitration or alternative resolution proceeding; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the “insured” and the claimant or the claimant's legal representative.

13. Other Insurance

Where other insurance may be available for “loss” covered under this policy, you shall promptly provide us with copies of such policies.

If other valid and collectible insurance is available to the “insured” for “loss” we cover under this policy, our obligations are limited as follows:

Primary Insurance

This insurance is primary and our obligations are not affected unless any of the other insurance is also primary. In that case, we will share with all such other insurance by the method described in Method of Sharing described below.

Method of Sharing

If all of the other insurance permits contribution of equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the “loss” remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

Excess Insurance

This insurance is excess where:

- a. you are an “insured” on an insurance policy that applies to “professional services” or “covered operations” performed at a specific job site and the insurance policy applies to a specific job site; or
- b. valid and collectible insurance provided to you by any person or organization working under contract for you; or under which you are included as an insured.

When this insurance is excess over other insurance, we will pay only our share of the amount of the “loss”, if any, that exceeds the sum of the total amount that all other such insurance would pay for the “loss” in the absence of this insurance; and of all deductible and self-insured amounts under all that other insurance. We will share the remaining “loss”, if any, with any other insurance that is not described in this Excess Insurance provision and was not purchased specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Insurance.

14. Representations

By accepting this policy, you agree:

The statements in the Declarations, the Application and any material submitted in connection with such Application, which are on file with us, are your agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

15. Rights of the Company in the Event of Pollution Conditions

We shall have the right but not the duty to clean-up or mitigate “pollution conditions” upon receiving written notice as provided in **SECTION V**, paragraph 7. of this policy.

Any sums expended by us under the preceding paragraph will be deemed incurred or expended by the “insured”, shall be subject to the applicable deductible and shall reduce the Limits of Insurance.

16. Separation of Insureds

Except with respect to the Limits of Insurance and **SECTION II. EXCLUSIONS**, paragraph 5., and any rights or duties specifically assigned to the “named insured”, this insurance applies: (1) as if each “insured” were the only “insured”; and (2) separately to each “insured” against whom a “claim” is made.

Misrepresentation, concealment, breach of a term or condition, or violation of any duty under this policy by one “insured” shall not prejudice another “insured” under this policy. Notwithstanding the foregoing, this condition shall not apply to any “insured” that is a parent, subsidiary or affiliate of the “named insured”.

17. Transfer of Duties When a Limit of Insurance is Used Up

- a. When a Limit of Insurance has actually been used up in payment of “loss”:
 1. We will notify the “named insured” and any “insured” against whom a “claim” is pending, in writing, as soon as practicable, that:
 - (i) Such limit has actually been used up; and
 - (ii) Our duty to defend “claims” subject to that limit has also ended.
 2. The “named insured” and any “insured” against whom a “claim” is pending will, as soon as practical, arrange for the transfer of control of the defense of all such “claims” against any “insured”.
 3. We will assist in, and all “insureds” must cooperate in, the transfer of control of the defense of all “claims” which are subject to that limit and which are reported to us before that limit is used up.
 4. We will take steps we deem appropriate to avoid a default in, or continue the defense of such “claims” until the transfer is completed, provided the appropriate “insured” is cooperating in completing such transfer. The “named insured” and any “insured” against whom a “claim” is pending will reimburse us for any expenses we incur (for which expenses each “named insured” and each “insured” against whom a “claim” is pending are jointly and severally liable) in taking such steps on and after the date on which the applicable Limit of Insurance is used up.
 5. We will take no action whatsoever with respect to any “claim” reported to us after the applicable Limit of Insurance has been used up.
- b. The duty to reimburse us will begin on the date the applicable Limit of Insurance is used up. The exhaustion of any limit of insurance by the payment of “loss” and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

18. Transfer of Rights of Recovery Against Others to Us

In the event of any payment under this policy, we shall be subrogated to all of your rights of recovery therefor against any person or organization and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights including without limitation, assignment of your rights against any person or organization on account of which we made any payment under this Policy. You shall do nothing to prejudice our rights under this paragraph. Any recovery as a result of subrogation proceedings arising out of the payment of “loss” covered under this Policy shall accrue first to you to the extent of any payments in excess of the Limits of Insurance; then to us to the extent of our payment under the Policy; and then to you to the extent of your Deductible. Expenses incurred in such subrogation proceedings shall be apportioned among the interested parties in the recovery in the proportion that each interested party’s share in the recovery bears to the total recovery.

19. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual “named insured”.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

20. Voluntary Payments

No “insured” will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

SECTION VI - DEFINITIONS

1. “Auto” means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment.
2. “Bodily injury” means physical injury, or sickness, disease, or mental anguish or emotional distress when accompanied by physical injury, sustained by any person, including death resulting therefrom.
3. “Claim” means a written demand received by the “insured” seeking a remedy or asserting liability or responsibility on the part of the “insured” for “loss”. Claim also includes:
 - a. Civil proceedings in which liability for "loss" to which this insurance applies is alleged; or
 - b. An arbitration proceeding in which such liability for “loss” is claimed and which you must submit or do submit with our consent; or
 - c. Any other alternative dispute resolution proceeding in which such liability for “loss” is claimed and to which you submit with our consent.
4. “Clean-up costs” means costs, charges and expenses, including reasonable and necessary legal expense incurred with our written consent, to investigate, neutralize, remove, remediate, monitor and dispose of “pollutants” to the extent required by “environmental laws” or that have actually been incurred by any governmental entity duly acting under the authority of “environmental laws”, or that have been actually incurred by third parties.
5. “Covered operations” means those operations stated in the Declarations.
6. “Defense expense” means fees charged by any lawyer designated by us; and all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a “claim”, if authorized by us, but without any obligation on our part to appeal a “claim”.
7. “Environmental damage” means the injurious presence of “pollutants” resulting in “clean-up costs”.
8. “Environmental laws” means any legislatively or administratively enacted law, rule, regulation or order applicable within the jurisdiction in which “professional services” or “covered operations” are being or have been performed.
9. “Insured” means:
 - a. the “named insured”;
 - b. any person(s) or organization(s) named as an insured in the Declarations or any endorsement attached to this policy;
 - c. any past or present director, officer, partner, or employee of each insured as identified in a., and b. above, including a temporary or leased employee, while acting within the scope of his or her duties as such;
 - d. any organization you newly acquire or form during the policy period and over which you maintain ownership or majority interest, but only with respect to “covered operations” rendered on or after the acquisition or formation date of such organization.
In the event such newly acquired or formed organization increases the “named insured’s” gross revenue by more than 20% or a material change in the overall nature of “covered operations” performed by the “insured” or any entity for which the “insured” is legally liable occurs, you must notify us in writing of such newly acquired or formed organization and we must consent to such newly acquired or formed organization being

added as “insured” before such coverage applies to that organization. We reserve the right to request additional premium for such consent which shall not be unreasonably withheld.

No person or organization is an “insured” with respect to “loss” arising from “pollution conditions” caused by “covered operations” that occurred before you acquired or formed such organization;

- e. Any client for whom you perform or performed “covered operations”, provided you are contractually obligated to add such person or organization as an insured to the policy. However such client’s are covered under this policy solely with respect to “loss” arising from “pollution conditions caused by “covered operations” performed by you and are not covered for any “loss” arising from the clients’ own liability. Your clients are covered under this policy only for the Limits of Liability up to and not exceeding the amount required by the written contract with you and further subject to the Limits of Liability of this policy;
- f. Any lessor of equipment leased to you is an insured, but only with respect to “bodily injury”, “environmental damage” or “property damage” arising out of the maintenance, operation or use by you of the equipment and only if you are contractually obligated to provide such coverage as is afforded by this policy.

No lessor is an insured with respect to any “bodily injury”, environmental damage” or “property damage” which takes place after the equipment lease expires or the end of the policy period, whichever occurs first; or any “bodily injury”, environmental damage” or “property damage” arising out of the sole negligence of the lessor; and

- g. Any organization in which you maintain a joint venture interest provided you are named as a co-venturer in such joint venture, but only as respects to your liability arising out of “covered operations” rendered for such joint venture.

10. “Insured contract” means:

- a. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- b. that part of any other written contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for “bodily injury”, “property damage” or “clean-up costs” to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

11. “Loss” means:

- a. Monetary awards or settlements of compensatory damages arising out of “bodily injury” or “property damage”;
- b. “clean-up costs”;
- c. civil fines, civil penalties, and civil assessments;
- d. where allowable by law, punitive, exemplary, or multiple damages; or
- e. “defense expense”.

12. “Mediation” means the non-binding intervention of a neutral third-party to effect settlement of a “claim”.

13. “Mitigation expense” means reasonable and necessary costs incurred to mitigate “pollution conditions” constituting an emergency situation whereby in the absence of such mitigation, “bodily injury” or “property damage” to third parties is imminent, or pursuant to “environmental laws”, “clean-up costs” are incurred

14. “Named insured” means the person or entity named in the Declarations of this policy.

15. “Natural resources” means land, fish, wildlife, biota, air, surface water, ground water, drinking water supplies and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the

United States, any state or local government, any foreign government, any Indian tribe, or if such resources are subject to a trust restriction on alienation, any member of an Indian tribe.

16. "Non-admitted jurisdiction" means a jurisdiction where we are not licensed or permitted by law to issue insurance or are prevented by law or otherwise from investigating, defending or settling any "claim".
17. "Pollutants" means any solid, liquid, gaseous, thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
18. "Pollution Conditions" means the emission, discharge, dispersal, release or escape of "pollutants", provided such are not naturally occurring. The entirety of any such emission, discharge, release or escape or any series of continuous, repeated, or related emissions, discharges, releases or escapes shall be deemed to be one "pollution condition".
19. "Property damage" means:
 - a. Physical injury to or destruction of "natural resources" or other tangible property, including all resulting loss of use and diminution in value of that property; or
 - b. Loss of use, but not diminution in value, of "natural resources" or other tangible property that is not physically injured.

Property damage does not include "environmental damage".

20. "Responsible insured" means:
 - a. an officer, director or partner of any "insured"; or
 - b. the manager or supervisor of any "insured" responsible for environmental affairs, control or compliance.
21. "Your product" means any goods or products (other than real property) manufactured, sold, handled, distributed or disposed of by you, others trading under your name, or a person or organization whose business or assets you have acquired; and containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your product; and the providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work" means work or operations performed by you, or any entity for whom you are legally liable; and materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your work; and the providing of or failure to provide warnings or instructions.

In witness whereof, the company has caused this policy to be signed by its President and its Secretary and countersigned by a duly authorized representative of the company.



President



Secretary