

Liability Insurance

Environmental Liability Insurance

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SPECIMEN

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SPECIMEN

Environmental Liability Insurance

Contract

Please read the entire policy carefully.

Throughout this contract the words "you" and "your" refer to the **Named Insured** shown in the Declarations and other persons or organizations qualifying as a **named insured** under this contract. The words "we," "us" and "our" refer to the Company providing this insurance.

In addition to **named insureds**, other persons or organizations may qualify as **insureds**. Those persons or organizations and the conditions under which they qualify are set forth in the definition of **insured**.

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section of this contract.

The use of the words damages, loss, cost or expense in any provision does not expand any coverages under this contract.

THIS INSURANCE PROVIDES CLAIMS-MADE AND REPORTED COVERAGE. EXCEPT AS OTHERWISE SPECIFIED, SUCH COVERAGE APPLIES ONLY TO **CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO US IN WRITING DURING THE POLICY PERIOD.**

UNLESS OTHERWISE SPECIFIED, **LOSS ADJUSTMENT EXPENSES**, INCLUDING LEGAL FEES AND INVESTIGATION COSTS AND EXPENSES, WILL REDUCE THE LIMITS OF INSURANCE.

Coverages

Coverage A – Pre-Existing Pollution Incidents At Insured Sites

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

- A. we will pay:
1. **damages** that the **insured** becomes legally obligated to pay for **bodily injury** or **property damage**;
 2. **clean up costs** that the **insured** becomes legally obligated to pay; and
 3. related **loss adjustment expenses**;

resulting from a **pollution incident** or an **illicit abandonment** that is on, under or migrating from the boundaries of an **insured site**.

This coverage applies only if a **claim** for such **damages** or **clean up costs** is first made against any **insured** and reported to us in writing during the **policy period** or any extended reporting period if applicable.

- B. we will pay **clean up costs** incurred by you resulting from a **pollution incident** or an **illicit abandonment** that is first discovered in whole or in part on or under an **insured site** by a **responsible party** during the **policy period**, but only with respect to **pollutants** or **specific biological substances** that are on or under such **insured site**.

This coverage applies only if such **pollution incident** or **illicit abandonment** is reported to us in writing after such discovery and during the **policy period**.

Coverages

Coverage A – Pre-Existing Pollution Incidents At Insured Sites (continued)

- C. we will pay **emergency expenses** resulting from a **pollution incident** or an **illicit abandonment** that is on, under or migrating from the boundaries of an **insured site**.

This coverage applies only if such **pollution incident** or **illicit abandonment** is reported to us in writing during the **policy period**.

Subparagraphs A., B. and C. above apply only if such **pollution incident** or **illicit abandonment** commenced before the Delineation Date shown in the Declarations.

Coverage B – New Pollution Incidents At Insured Sites

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

- A. we will pay:

1. **damages** that the **insured** becomes legally obligated to pay for **bodily injury** or **property damage**;
2. **clean up costs** that the **insured** becomes legally obligated to pay; and
3. related **loss adjustment expenses**;

resulting from a **pollution incident** or an **illicit abandonment** that is on, under or migrating from the boundaries of an **insured site**.

This coverage applies only if a **claim** for such **damages** or **clean up costs** is first made against any **insured** and reported to us in writing during the **policy period** or any extended reporting period if applicable.

- B. we will pay **clean up costs** incurred by you resulting from a **pollution incident** or an **illicit abandonment** that is first discovered in whole or in part on or under an **insured site** by a **responsible party** during the **policy period**, but only with respect to **pollutants**, or **specific biological substances** that are on or under such **insured site**.

This coverage applies only if such **pollution incident** or **illicit abandonment** is reported to us in writing after such discovery and during the **policy period**.

- C. we will pay **emergency expenses** resulting from a **pollution incident** or an **illicit abandonment** that is on, under or migrating from the boundaries of an **insured site**.

This coverage applies only if such **pollution incident** or **illicit abandonment** is reported to us in writing during the **policy period**.

Subparagraphs A., B. and C. above apply only if such **pollution incident** or **illicit abandonment** commences on or after the Delineation Date shown in the Declarations.

Environmental Liability Insurance

Coverages

(continued)

Coverage C – Mold Incidents At Insured Sites

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

A. we will pay:

1. **damages** that the **insured** becomes legally obligated to pay for **bodily injury** or **property damage**;
2. **mold clean up costs** that the **insured** becomes legally obligated to pay; and
3. related **loss adjustment expenses**;

resulting from a **mold incident** that is on an **insured site**.

This coverage applies only if a **claim** for such **damages** or **mold clean up costs** is first made against any **insured** and reported to us in writing during the **policy period** or any extended reporting period if applicable.

B. we will pay **mold clean up costs** incurred by you resulting from a **mold incident** that is first discovered in whole or in part on an **insured site** by a **responsible party** during the **policy period**, but only with respect to **mold** that is on such **insured site**.

This coverage applies only if such **mold incident** is reported to us in writing after such discovery and during the **policy period**.

C. we will pay **emergency expenses** resulting from a **mold incident** that is on an **insured site**.

This coverage applies only if such **mold incident** is reported to us in writing during the **policy period**.

Subparagraphs A., B. and C. above apply only if such **mold incident** commenced on or after the Mold Retroactive Date shown in the Declarations.

Coverage D – Non-Owned Disposal Sites Liability

THIS COVERAGE APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance, we will pay:

- A. **damages** that the **insured** becomes legally obligated to pay for **bodily injury** or **property damage**;
- B. **clean up costs** that the **insured** becomes legally obligated to pay; and
- C. related **loss adjustment expenses**;

resulting from a **pollution incident** that is on, under or migrating from the boundaries of a **non-owned disposal site**.

This coverage applies only if:

- a **claim** for such **damages** or **clean up costs** is first made against any **insured** and reported to us in writing during the **policy period** or any extended reporting period if applicable; and
- such **pollution incident** commenced on or after the Non-Owned Disposal Sites Retroactive Date shown in the Declarations.

Coverages

Coverage D – Non- Owned Disposal Sites Liability (continued)

Subparagraphs A. and C. above do not apply to any **bodily injury** or **property damage** sustained by any owner or operator of any **non-owned disposal site** or any of their **employees** or contractors.

Coverage E – Off Site Insured Operations Liability

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

A. we will pay:

1. **damages** that the **insured** becomes legally obligated to pay for **bodily injury** or **property damage**;
2. **clean up costs** that the **insured** becomes legally obligated to pay; and
3. related **loss adjustment expenses**;

resulting from a **pollution incident** caused by **off site insured operations**.

This coverage applies only if a **claim** for such **damages** or **clean up costs** is first made against any **insured** and reported to us in writing during the **policy period** or any extended reporting period if applicable.

B. we will pay **emergency expenses** resulting from a **pollution incident** caused by **off site insured operations**.

This coverage applies only if such **pollution incident** is reported to us in writing during the **policy period**.

Subparagraphs A. and B. above apply only if such **off site insured operations** were performed on or after the Off Site Insured Operations Retroactive Date shown in the Declarations.

Subparagraphs A. and B. above do not apply to any damages, loss, cost or expense arising out of any **pollution incident** in connection with any **transported cargo**.

Coverage F – Transported Cargo Liability

THE COVERAGE SET FORTH IN SUBPARAGRAPH A. BELOW APPLIES ON A CLAIMS-MADE AND REPORTED BASIS.

Subject to all of the terms and conditions of this insurance:

A. we will pay:

1. **damages** that the **insured** becomes legally obligated to pay for **bodily injury** or **property damage**;
2. **clean up costs** that the **insured** becomes legally obligated to pay; and
3. related **loss adjustment expenses**;

resulting from a **pollution incident** if such **pollutants** or **specific biological substances** are **transported cargo**.

This coverage applies only if a **claim** for such **damages** or **clean up costs** is first made against any **insured** and reported to us in writing during the **policy period** or any extended reporting period if applicable.

Environmental Liability Insurance

Coverages

Coverage F – Transported Cargo Liability (continued)

- B. we will pay **emergency expenses** resulting from a **pollution incident** if such **pollutants** or **specific biological substances** are **transported cargo**.

This coverage applies only if such **pollution incident** is reported to us in writing during the **policy period**.

Coverage G – Business Interruption At Insured Sites

Subject to all of the terms and conditions of this insurance, we will pay for the actual **business interruption expenses** incurred by you due to a **business interruption** after the applicable Waiting Period shown in the Declarations.

This coverage applies only if:

- such **business interruption** is directly caused by or results from a **pollution incident** or an **illicit abandonment**;
- such **pollution incident** or **illicit abandonment** is first discovered in whole or in part on or under an **insured site** by a **responsible party** during the **policy period**;
- such **pollution incident** or **illicit abandonment** is reported to us in writing after such discovery and during the **policy period**; and
- the **business interruption** is reported to us in writing within 30 days after the commencement of such **business interruption**.

If the **business interruption** is caused by or results from a **pollution incident** or **illicit abandonment** and any other cause, we will pay only for that portion of **business interruption expenses** solely and directly attributable to such **pollution incident** or **illicit abandonment**.

We will reduce the amount of any **business interruption expenses** payment to the extent you can resume or continue your normal business operations, in whole or in part, by using damaged or undamaged property or any other available premises, site or location.

Provisions Applicable To All Coverages

A. Subject to all of the terms and conditions of this insurance, if, during the **policy period**:

1. we receive a written notice of an **environmental incident**, then subsequent notices in connection with such **environmental incident** will be deemed to have been reported to us before the end of the **policy period**. However, any **claim** in connection with the incident will be subject to the rules set forth in subparagraph A.2. below.
2. a. a **claim** in connection with an **environmental incident** is first made against any **insured** and reported to us in writing; or
b. we receive a written notice of an **environmental incident** or a **potential incident**;

then a subsequent **claim** in connection with such incident will be deemed to have been made and reported before the end of the **policy period**, provided such subsequent **claim** is actually first made against any **insured** and reported to us in writing before the end of the **coverage relationship**.

Further, if a **claim** is actually made against any **insured** and reported to us in writing before the end of the **coverage relationship** and such **claim** is part of a series of **claims** for the **bodily injury, property damage, clean up costs or mold clean up costs** sustained by the same person or organization, then a subsequent **claim** of such series will also be deemed to be made and reported before the end of the **coverage relationship**.

Coverages

Provisions Applicable To All Coverages (continued)

- B. Notwithstanding paragraph A. above, this insurance does not apply to any part of any **environmental incident** if any notice or any **claim** in connection with any part of such **environmental incident** has been made under any prior policy provided by us or an affiliate of ours.
- C. If a written notice of a **claim** or a written notice in connection with an **environmental incident** is actually received and recorded by us not more than 60 days after the end of the **policy period**, then such notice will be deemed to have been reported to us before the end of the **policy period**.
- D. The most we will pay under this insurance is fixed as set forth in the Limits Of Insurance section of this contract.

Our obligations under this insurance end when we have used up the applicable Limits Of Insurance.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligations or liability to pay sums or perform acts or services under this insurance.

Investigation, Defense And Settlements

Subject to all of the terms and conditions of this insurance, we will have the right and the duty to defend the **insured** against a **claim** to which this insurance applies. However, we have no duty to defend any **insured** against any **claim** unless and until the applicable Self Insured Retentions are exhausted by payments as described in the provision titled Self Insured Retentions.

We have no duty to defend any person or organization against any **claim** to which this insurance does not apply.

We may, at our discretion, investigate any **environmental incident** and make any settlement regardless of whether or not any **claim** has been made.

The most we will pay under this insurance is fixed as set forth in the Limits Of Insurance section of this contract.

Our obligations under this insurance end when we have used up the applicable Limits Of Insurance.

Supplementary Payments

Subject to all of the terms and conditions of this insurance, with respect to a **claim** against an **insured** that we investigate, defend against or settle, we will pay:

- reasonable and necessary expenses incurred by the **insured** at our request to assist us in the investigation of or defense against such **claim**, including actual loss of earnings up to \$1,000 a day because of time off from work.
- interest on the amount of a judgment that accrues after entry of such judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.

The most we will pay under this insurance is fixed as set forth in the Limits Of Insurance section of this contract.

Our obligations under this insurance end when we have used up the applicable Limits Of Insurance.

Environmental Liability Insurance

Limits Of Insurance

With respect to all coverages under this contract, the Limits Of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of **insureds**, sites, **off site insured operations**, **environmental incidents**, **claims** made, persons or organizations making **claims** or coverages provided under this contract.

The Limits Of Insurance will apply to the entirety of the **policy periods** and not separately to any portion thereof (whether annual or otherwise).

If any **policy period** is extended after issuance, then the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

Policy Aggregate Limit

With respect to all coverages under this contract, subject to the Each Incident Limit and all other applicable limits set forth in this section of this contract, the Policy Aggregate Limit is the most we will pay for the sum of all amounts described as reducing the Limits Of Insurance in the provision titled Payments That Reduce The Limits Of Insurance.

Any such sum we pay will reduce the amount of the Policy Aggregate Limit and any other applicable limit. The remaining amount of any such limit is the most that will be available for any other payment.

Coverage Aggregate Limits

Subject to the Policy Aggregate Limit and all other applicable limits set forth in this section of this contract, the most we will pay for the sum of all amounts described as reducing the Limits Of Insurance in the provision titled Payments That Reduce The Limits Of Insurance is the amount of the aggregate limit for the applicable coverage set forth under Coverage Aggregate Limits shown in the Declarations.

Any such sum we pay will reduce the amount of the applicable Coverage Aggregate Limit and any other applicable limit. The remaining amount of any such limit is the most that will be available for any other payment.

Each Incident Limit

Subject to the Policy Aggregate Limit and all other applicable aggregate limits set forth in this section of this contract, the Each Incident Limit is the most we will pay for all amounts described as reducing the Limits Of Insurance in the provision titled Payments That Reduce The Limits Of Insurance arising out of any one **environmental incident**.

Any such sum we pay will reduce the amount of the Each Incident Limit, the Policy Aggregate Limit and any other applicable limit. The remaining amount of any such limit is the most that will be available for any other payment.

If an applicable Coverage Aggregate Limit is less than the Each Incident Limit then such Coverage Aggregate Limit is the most that will be available for any payment under the applicable coverage.

Payments That Reduce The Limits Of Insurance

- A. With respect to all coverages under this contract, any payments we make for any of the following will reduce the Policy Aggregate Limit, the Each Incident Limit and all other applicable Limits Of Insurance:
1. **damages.**
 2. **clean up costs.**
 3. **mold clean up costs.**

Limits Of Insurance

Payments That Reduce The Limits Of Insurance (continued)

4. **loss adjustment expenses.**
 5. **emergency expenses.**
 6. **business interruption expenses.**
- B. Except for payments described as reducing the Limits Of Insurance in paragraph A. above, payments we make under the Supplementary Payments section of this contract will not reduce the Limits Of Insurance.

Retentions And Waiting Periods

Self Insured Retentions

- A. With respect to all coverages under this contract (except Coverage G – Business Interruption At Insured Sites) and subject to all of the terms and conditions of this insurance, we will pay amounts to which this insurance applies in excess of the applicable Self Insured Retentions shown in the Declarations. The Self Insured Retentions apply to amounts:

1. that arise out of any one **environmental incident**; and
2. to which this insurance would otherwise apply.

If more than one Self Insured Retention applies in connection with an **environmental incident**, then only the highest Self Insured Retention will apply.

- B. Further to the requirements to notify us of **environmental incidents** or **claims** set forth in the provision titled Duties In The Event Of Incidents Or Claims, the **first named insured** must see to it that we and any other insurers are notified, in writing, as soon as practicable (but not later than 60 days) after the **first named insured** becomes aware of any **environmental incident** or **claim** that may involve any amounts, whether or not paid or reserved, that total 50 percent or more of any applicable Self Insured Retention.

- C. If any **insured** does not consent to a settlement offer or a judgment that was acceptable to the claimant and to us, then any:

1. part of any **damages, clean up costs, mold clean up costs** or **emergency expenses** that exceeds the amount of **damages, clean up costs, mold clean up costs** or **emergency expenses** proposed in such settlement offer; and
2. **loss adjustment expenses** based upon the time after, or incurred after, the date when any **insured** refused such settlement offer;

will be deemed not to be:

- payments that exhaust any Self Insured Retention.
- amounts to which this insurance applies.

You must, and we will not, bear any obligation or liability in connection with any such amounts.

- D. If we pay or incur any amounts within any applicable Self Insured Retention, then you must promptly reimburse us for such amounts.

Environmental Liability Insurance

Retentions And Waiting Periods

Self Insured Retentions (continued)

The **first named insured** agrees, and is authorized, to promptly reimburse us for any and all reimbursable amounts relative to this insurance or any other insurance provided by us or an affiliate of ours including any antecedent insurance. Each **named insured** is jointly and severally liable for any and all such amounts.

Failure to promptly reimburse us (relative to this insurance or any other insurance provided by us or an affiliate of ours including any antecedent insurance) shall be deemed an event of nonpayment of premium.

Waiting Periods

With respect to Coverage G – Business Interruption At Insured Sites and subject to all of the terms and conditions of this insurance, we will pay the amount of **business interruption expenses** that is incurred by you after the Waiting Period shown in the Declarations for each **pollution incident** or **illicit abandonment**.

The Waiting Period begins immediately following the commencement of the **business interruption**. Days shown for the Waiting Period are normal business days.

The Waiting Period does not apply to **extra expenses**.

Exclusions

Aircraft, Autos, Rolling Stock Or Watercraft – Coverage E – Off Site Insured Operations Liability

With respect to Coverage E – Off Site Insured Operations Liability, this insurance does not apply to any damages, loss, cost or expense arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any:

- aircraft;
- **auto**;
- rolling stock; or
- watercraft;

owned or operated by or loaned or rented to any **insured**.

Asbestos

This insurance does not apply to any damages, loss, cost or expense arising out of any actual, alleged or threatened:

- contaminative, pathogenic, toxic or other hazardous properties of **asbestos**.
- demand, order, request or regulatory or statutory requirement 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 **asbestos**.
- claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **asbestos**.

This exclusion does not apply to **clean up costs** resulting from **asbestos** in groundwater or soil.

Exclusions

(continued)

Changes In Use Or Operations

This insurance does not apply to any damages, loss, cost or expense arising out of any change in use or change in operations at any **insured site**:

- from the use or operations disclosed to us by you in the **application** or from the use or operation to the extent described in an endorsement titled Midterm Change In Use made a part of this insurance; and
- which results in the imposition of more stringent measures or standards applicable to the activities set forth in the definitions of **clean up costs** or **mold clean up costs** at such **insured site** than those applicable as of the later of the beginning of the **policy period** or the date the **insured site** is added to this policy.

Contracts

This insurance does not apply to any damages, loss, cost or expense for which the **insured** is obligated to pay by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to the liability that such **insured** would have in the absence of such contract or agreement.

With respect to all coverages under this contract (except Coverage E – Off Site Insured Operations Liability), this exclusion does not apply to the liability assumed in a contract or agreement to the extent described in an endorsement titled Indemnity Contracts made a part of this insurance.

With respect to Coverage E – Off Site Insured Operations Liability, this exclusion does not apply to the liability assumed in a written contract or agreement that is an **indemnity contract**, provided that the **bodily injury, property damage** or activities set forth in the definition of **clean up costs** occurs after the execution of such contract or agreement.

Damage To Transported Property – Coverage F – Transported Cargo Liability

With respect to Coverage F – Transported Cargo Liability, this insurance does not apply to any damages, loss, cost or expense for any **property damage** to any property being transported by or on behalf of any **insured**.

Damage To Owned, Occupied Or Rented Property

This insurance does not apply to any damages, loss, costs or expense for any **property damage** to any property owned or occupied by or leased, loaned or rented to any **insured**.

This exclusion does not apply to:

- Coverage E – Off Site Insured Operations Liability, but only with respect to such property owned by your client that is also an **insured**.
- Coverage G – Business Interruption At Insured Sites.

Damage To Your Product Or Your Work

This insurance does not apply to any damages, loss, cost or expense for any **property damage** to **your product** or **your work**, if arising out of it or any part of it.

Environmental Liability Insurance

Exclusions

(continued)

Employer's Liability

- A. This insurance does not apply to any damages, loss, cost or expense arising out of any **bodily injury** actually or allegedly sustained at any time by any:
- employee or temporary worker** of any **insured** arising out of and in the course of:
 - employment by any **insured**; or
 - performing duties related to the conduct of any **insured**'s business.
 - spouse, child, parent, brother or sister of such **employee or temporary worker** as a consequence of any injury described in subparagraph A.1. above.
- B. Paragraph A. above:
- applies regardless of the capacity in which any **insured** may be liable.
 - applies to any **insured** against whom a **claim** is made, regardless of whether such **claim** is made by an **employee or temporary worker** of:
 - such **insured**; or
 - any other **insured**.
 - also applies to any obligation to share any damages, loss, cost or expense with or to repay any person or organization that must pay any damages, loss, cost or expense because of any of the foregoing.

Failure To Perform

This insurance does not apply to any damages, loss, cost or expense for any loss of use of any **natural resources** or other tangible property that is not physically injured or destroyed in connection with any delay or failure by any **insured** or anyone acting for any **insured** to perform a contract or agreement in accordance with its terms and conditions.

Insureds Versus Insureds

- A. This insurance does not apply to any damages, loss, cost or expense in connection with any **claim** made:
- by any **insured** against any other person or organization that is also an **insured** under this insurance.
 - against any **insured** by any:
 - person or organization that controls, either directly or indirectly, interests entitled to vote generally in the election of the governing body of any organization that is also an **insured**; or
 - subsidiary organization of any **insured**.
- B. This exclusion does not apply:
- to a **claim** in connection with an indemnification given by a **named insured** to an **insured** in a contract or agreement to the extent described in an endorsement titled Indemnity Contracts made a part of this insurance.
 - with respect to Coverage E – Off Site Insured Operations Liability, to a **claim** made by your client that is also an **insured**.

Exclusions

(continued)

Known Incidents

This insurance does not apply to any damages, loss, cost or expense arising out of any **environmental incident** known by any **responsible party**, in whole or in part, prior to:

- A. the beginning of the **policy period**, unless such **environmental incident** is disclosed to us by you in the **application**.
- B. as applicable, the time:
 1. an **insured site**;
 2. a coverage; or
 3. an **off site insured operation**;

is added to this policy, unless such **environmental incident** is disclosed to us by you in writing prior to such time.

Known Underground Storage Tanks

This insurance does not apply to any damages, loss, cost or expense arising out of any **underground storage tank** at any **insured site** that is:

- A. known by any **responsible party**, in whole or in part, prior to the later of, as applicable:
 1. the beginning of the **policy period**; or
 2. the time such **insured site** is added to this policy.
- B. installed after the beginning of the **policy period**.

This exclusion does not apply to an **underground storage tank** to the extent described in an endorsement titled Scheduled Underground Storage Tanks made a part of this insurance.

Lead Based Paint

This insurance does not apply to any damages, loss, cost or expense arising out of any actual, alleged or threatened:

- contaminative, pathogenic, toxic or other hazardous properties of **lead based paint** in, on or emanating from any building, fixture or other structure.
- demand, order, request or regulatory or statutory requirement 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 **lead based paint** in, on or emanating from any building, fixture or other structure.
- claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **lead based paint** in, on or emanating from any building, fixture or other structure.

This exclusion does not apply to **clean up costs** resulting from **lead based paint** in groundwater or soil.

Environmental Liability Insurance

Exclusions

(continued)

Non-Compliance With Laws

This insurance does not apply to any damages, loss, cost or expense arising out of any **responsible party's** intentional, knowing, willful or deliberate non-compliance with any **environmental law** or any other statute, regulation, ordinance, administrative complaint, notice of violation, notice letter or instruction of any governmental authority or body, or executive, judicial or administrative order or directive.

Products Or Completed Operations

This insurance does not apply to any damages, loss, cost or expense arising out of any **environmental incident** taking place away from any **insured site** in connection with:

- A. **your product**; or
- B. **your work**.

Subparagraph A. above does not apply to Coverage F – Transported Cargo Liability.

Subparagraph B. above does not apply to Coverage E – Off Site Insured Operations Liability.

Specific Professional Services – Coverage E – Off Site Insured Operations Liability

With respect to Coverage E – Off Site Insured Operations Liability, this insurance does not apply to any damages, loss, cost or expense arising out of any rendering of or failure to render any **specific professional service**.

This exclusion applies regardless of whether or not such service, advice or instruction is ordinary to any **insured's** profession and regardless of whether or not a **claim** is made or suit is brought by any client or by any other person or organization.

Recall, Adjustment, Inspection Or Replacement – Coverage E – Off Site Insured Operations Liability

With respect to Coverage E – Off Site Insured Operations Liability, this insurance does not apply to any damages, loss, cost or expense incurred by any **insured** or others for any loss of use or any adjustment, disposal, inspection, recall, removal, repair, replacement or withdrawal of:

- **your work**; or
- property containing or incorporating **your work**;

regardless of whether any such adjustment, disposal, inspection, recall, removal, repair, replacement or withdrawal is performed by any **insured** or others.

Workers' Compensation Or Similar Laws

This insurance does not apply to any damages, loss, cost or expense arising out of any obligation of any **insured** under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

Extended Reporting Period

THE PROVISIONS SET FORTH IN THIS SECTION OF THIS CONTRACT APPLY ONLY TO CLAIMS-MADE AND REPORTED COVERAGES.

When The Extended Reporting Period Applies

We agree to provide an Extended Reporting Period, provided the **first named insured** purchases it from us, but only if this insurance (and all of its coverages) is canceled or not renewed for reasons other than nonpayment of premium.

No person or organization, other than the **first named insured**, has the right to purchase an Extended Reporting Period.

Only one Extended Reporting Period will be available, and it will be shared by all qualifying interests under this policy. No separate Extended Reporting Period will be provided to any specific person or organization.

How The Extended Reporting Period Applies

The Extended Reporting Period:

- A. applies only to **claims** for **bodily injury, property damage, clean up costs or mold clean up costs**:
1. in connection with an **environmental incident**, to which this insurance applies, that commenced before the end of the **policy period**, and
 2. that are both first made and reported to us in writing during such Extended Reporting Period.
- B. does not:
1. extend the **policy period** or change the scope of coverage to which this insurance applies.
 2. increase or reinstate the Limits Of Insurance.
 3. apply to any damages, loss, cost or expense covered under any **other insurance**, including any subsequent insurance you purchase.
- C. may not be canceled once in effect.
- D. is available only by an endorsement made a part of this insurance and for an additional premium, subject to the following provisions.

If purchased, the Extended Reporting Period begins with the end of the **policy period** and lasts no longer than 48 months. **Claims** that are both first made against any **insured** and reported to us in writing during an Extended Reporting Period will be deemed to have been made on the last day of the **policy period**.

The **first named insured** must give us a written request to purchase the Extended Reporting Period within 30 days after the end of the **policy period**. The Extended Reporting Period will not go into effect unless we receive the additional premium on or before the due date.

We will determine the additional premium for the endorsement for the Extended Reporting Period in accordance with our rates and rules. The additional premium will not exceed 200 percent of the full policy premium. The additional premium will be deemed fully earned at the beginning of the Extended Reporting Period.

The endorsement for the Extended Reporting Period will set forth any special terms and conditions, not inconsistent with this section, applicable to the Extended Reporting Period.

Environmental Liability Insurance

Conditions

Arbitration

We are entitled to exercise all of any **insured's** rights in the choice of arbitrators and in the conduct of any arbitration proceeding, except when the proceeding is between us and the **insured**.

Assignment Of Policy

The **first named insured** may assign this policy with our consent, which shall not be unreasonably withheld or delayed; however, no assignment shall bind us until we have issued an endorsement made a part of this insurance.

Bankruptcy

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

Cancellation

The **first named insured** may cancel this policy at any time by sending a written request to us or by returning this policy to us and stating when thereafter cancellation is to take effect.

We may cancel this policy for the following reasons:

- material misrepresentation by any **insured**;
- any **insured's** material failure to comply with the terms or conditions of this policy, including failure to pay any premium when due; or
- any change in use or change in operations from the use or operations disclosed to us by you in the **application** that materially increases a risk to which this insurance applies;

by sending to the **first named insured** a notice 60 days (20 days in the event of nonpayment of premium) in advance of the cancellation date. Notice of cancellation will be mailed to the **first named insured's** last known address and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

Earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

Compliance By Insureds

We have no duty to provide coverage under this policy unless you and any other involved **insured** have fully complied with all of the terms and conditions of this policy.

Compliance With Applicable Trade Sanctions

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

Compulsory Insurance Or Financial Responsibility Laws Or Regulations

Unless we agree otherwise as evidenced by an endorsement made a part of this insurance, this insurance is not a substitute for any insurance, bond or other mechanism in connection with any compulsory insurance or financial responsibility law or regulation in any jurisdiction, regardless of whether this insurance would otherwise be accepted or qualify as any insurance, bond or other mechanism in connection with any compulsory insurance or financial responsibility law or regulation in any jurisdiction. Further, we do not consent to be a guarantor.

Conditions

(continued)

Duties In The Event Of Incidents Or Claims

- A. You must see to it that we and any other insurers, in strict conformance with all of the time frames and requirements set forth in this insurance, are notified as soon as practicable of any **environmental incident** or **claim** if such **environmental incident** or **claim** may involve us or such other insurers. To the extent possible, notice must include:
1. how, when and where the **environmental incident** commenced.
 2. how and when the **insured** first became aware of the **environmental incident** or **claim**.
 3. how, when and where the **environmental incident** was first discovered by a **responsible party**.
 4. the names and addresses of any injured persons or organizations, any other persons or organizations which have made or may make **claims** and any witnesses.
 5. the nature and location of any injury, damage, cost or expense which has resulted or may result from the **environmental incident** or **claim**.
 6. all available engineering information concerning the **environmental incident** or **claim** and any other information that we deem reasonably necessary.

Notice of an **environmental incident** is not notice of a **claim**.

- B. If a **claim** is made against any **insured**, then you and any other involved **insured** must:
1. immediately record the specifics of the **claim** and the date received.
 2. immediately see to it that we receive copies of any demands, notices, summonses or legal papers received in connection with the **claim**.
 3. authorize us to obtain records and other information.
 4. assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the **insured** because of loss to which this insurance may also apply.
- C. Any notice to us in connection with this condition must be in writing and mailed or delivered to either our Claim Department or:

Chubb & Son
A division of Federal Insurance Company
Claim Department
Environmental Claim Manager
15 Mountain View Road
Warren, NJ 07059
U.S.A.

Duties In The Event Of Potential Incidents

THE PROVISIONS SET FORTH IN THIS CONDITION APPLY ONLY TO CLAIMS-MADE AND REPORTED COVERAGES.

If, during the **policy period**, you first become aware of a **potential incident** and you see to it that we receive written notice of such **potential incident** during the **policy period** (in accordance with Duties In The Event Of Incidents Or Claims), then a **claim** in connection with the **potential incident** will be subject to the rules set forth in the provision titled Provisions Applicable To All Coverages.

Environmental Liability Insurance

Conditions

(continued)

Duties To Cooperate

You agree to cooperate with us and other insurers in the investigation of, defense against or settlement of any **claim**. Such cooperation includes: participating at meetings; testifying at hearings, depositions and trials; and securing evidence.

Duties To Report And Remediate Incidents

You must promptly report any **environmental incident** to the appropriate governmental authority in compliance with applicable **environmental laws**.

Further, you must take all actions necessary to comply with **environmental laws** or the recommendations of **environmental professionals**, including retaining competent contractors and other professionals. We have the right to review and approve any such actions.

Entire Agreement And Changes

This insurance:

- includes the various sections of this contract: Coverages; Investigation, Defense And Settlements; Supplementary Payments; Limits Of Insurance; Retentions And Waiting Periods; Exclusions; Extended Reporting Period; Conditions; and Definitions, as well as the Declarations and any Endorsements and Schedules made a part of this insurance.
- also includes the **application**.
- constitutes the entire agreement existing between you and us.
- can only be changed by an endorsement made a part of this insurance and signed by one of our authorized representatives.

First Named Insured

The **first named insured** is primarily responsible for the payment of all premiums and Self Insured Retentions and will act on behalf of all other **insureds** for the giving and receiving of notices, acceptance and receipt of any endorsements made a part of this insurance, the receipt of any return premiums that become payable under this policy and the exercise of any Extended Reporting Period.

Inspections Or Interviews

We may:

- make inspections or surveys at any time; and
- interview persons employed by any **insured**.

Any interviews, inspections, surveys, reports or recommendations relate only to insurability 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. 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 any other person or organization that conducts inspections or interviews for us.

Conditions

(continued)

Legal Action Against Us

No person or organization has a right under this insurance to:

- join us as a party or otherwise bring us into a suit against any **insured**; or
- sue us under this insurance unless all of its terms and conditions have been fully complied with.

A person or organization may sue us to recover on an **agreed settlement** or on a final judgment against an **insured** obtained after an actual:

- trial in a civil proceeding; or
- arbitration or other alternative dispute resolution proceeding;

but we will not be liable for any damages, loss, cost or expense that are not payable under the terms and conditions of this insurance or that are in excess of the applicable Limits Of Insurance.

Mediation

If we and you 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 such **mediation**, then the amount of the applicable Self Insured Retention will be reduced by 50 percent (subject to a maximum reduction of \$25,000). We will reimburse the **first named insured** for the applicable Self Insured Retention payments (that qualify for reimbursement) made prior to the **mediation** as soon as practicable after the conclusion of the **mediation**.

Other Insurance

If valid and collectible **other insurance** is available to any **insured** or other qualifying interest (under this insurance) for loss we would otherwise cover under this insurance, then our obligations are limited as follows.

Primary Insurance

This insurance is primary, except to the extent that the Excess Insurance provision described below applies.

If this insurance is primary, then our obligations are not affected unless any of the **other insurance** is also primary. Then, we will share with all that **other insurance** by the method described in the Method of Sharing provision below.

Excess Insurance

- A. This insurance is excess over any **other insurance** (whether primary, excess, contingent or on any other basis), including any other insurer's antecedent or replacement of this insurance or any such **other insurance**:
1. if the loss arises out of **mold** or **specific biological substances**.
 2. if the loss arises out of aircraft, **autos**, rolling stock, **transported cargo** or watercraft.
 3. if the loss arises out of any rendering of or failure to render any professional service, advice or instruction.
 4. under which any **insured** or other qualifying interest (under this insurance) is included as an insured or other qualifying interest under such **other insurance**.
 5. that is effective on or after the beginning of any extended reporting period provided by us or by an affiliate of ours.

Environmental Liability Insurance

Conditions

Other Insurance (continued)

- B. When this insurance is excess, we will:
1. have no duty to defend any **insured** against any suit if any insurer that provides **other insurance** has a duty to defend such **insured** against such suit. If no other insurer defends, then we will undertake to do so; but we will be entitled to the **insured**'s rights against all those other insurers.
 2. pay only our share of the amount of loss, if any, that exceeds the sum of the total amounts:
 - a. that all **other insurance** would pay for loss in the absence of this insurance.
 - b. of all deductible, participation, retention and other self insured amounts (including any amounts allocated to and required to be paid by the **insured**) in connection with all **other insurance**.
- C. We will share by the method described in the Method Of Sharing provision below the remaining loss, if any, with any **other insurance** that is not described in this Excess Insurance provision and was not negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Method Of Sharing

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

If any of the **other insurance** does not permit contribution by equal shares, then 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.

Representations/ Concealment Or Misrepresentation

You represent that the information and statements disclosed to us by you in the **application** are true, accurate and complete.

Further, you agree that this insurance is provided in reliance on the truth, accuracy and completeness of such representations and statements and that such representations and statements are the basis of this policy and are material to our agreement to provide this insurance.

If you intentionally conceal or misrepresent any fact or circumstance material to our agreement to provide this insurance, then this insurance is void.

Separation Of Insureds

Except with respect to the Limits Of Insurance and any rights or duties specifically assigned to the **first named insured**, this insurance applies:

- as if each **named insured** were the only **named insured**; and
- separately to each **insured** against whom a **claim** is made.

Titles Of Paragraphs

The titles of the various paragraphs of this policy and endorsements, if any, attached to this policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

Conditions

(continued)

Transfer Of Rights Of Recovery

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the **insured** has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the **insured**'s rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring suit or transfer those rights to us and help us enforce them.

Voluntary Payments Or Settlements

Except for **emergency expenses**, no **insured** shall voluntarily enter into any settlement, make any payment or assume any obligation with respect to this insurance without our consent, which shall not be unreasonably withheld.

SPECIMEN

Environmental Liability Insurance

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Agreed Settlement

Agreed settlement means a settlement and release of liability signed by us, the **insured** and the claimant or the claimant's legal representative.

Application

Application means the application and material submitted in connection with an application for this insurance or for a prior policy provided by us or an affiliate of ours of which this policy is a renewal or replacement.

Asbestos

Asbestos means asbestos in any form, including its presence or use in any alloy, by-product, compound or other material or **waste**.

Auto

Auto means:

- a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment.
- any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the jurisdiction where it is licensed or principally garaged.

Bodily Injury

Bodily injury means physical injury, sickness, disease, mental anguish, emotional distress or shock, sustained by a person, including death resulting therefrom.

Business Income

Business income:

- A. means:
1. net profit or loss before income taxes (including rental income from tenants) that you would have earned or incurred had there been no **business interruption** at an **insured site**;
 2. continuing normal operating and payroll expenses you incur;
 3. charges you incur that are the legal obligation of your tenant which would otherwise be your obligations; and
 4. costs you are required to pay to rent temporary premises when that portion of an **insured site** occupied by you is untenable, but not to exceed the fair rental value of such untenable portion of the building you occupy.
- B. does not include any bank interest or investment income.

Business Interruption

Business interruption means necessary partial or complete suspension of your normal business operations at an **insured site**.

Definitions

(continued)

Business Interruption Expenses

Business interruption expenses means:

- **business income**; and
- **extra expenses**;

you incur during the **period of interruption**.

Claim

Claim means a demand or notice asserting liability or responsibility on the part of the **insured**.

Clean Up Costs

Clean up costs:

A. means reasonable and necessary costs for neutralization, removal, remediation (including related monitoring and testing) or disposal of **pollutants** or **specific biological substances** to the extent:

1. required by **environmental laws**;
2. recommended by an **environmental professional** in the absence of applicable **environmental laws**; or
3. incurred by a third party including a governmental authority.

B. includes related:

1. attorney and paralegal fees and expenses incurred with our consent;
2. investigation costs, response costs and **restoration costs**; and
3. civil fines, penalties or assessments.

C. does not include any:

1. costs, charges, expenses or fees for goods or services of any **insured**, unless incurred with our consent; or
2. **loss adjustment expenses**.

Coverage Relationship

Coverage relationship means the period of time that lasts only until the later of the end of:

- A. the **policy period** of this insurance;
- B. the policy period of a subsequent, continuous renewal or replacement of this insurance that is provided by us or by an affiliate of ours to the **first named insured**; or
- C. any extended reporting period purchased under the insurance described in subparagraphs A. or B. above.

Damages

Damages:

A. means:

1. monetary awards or settlements of compensatory damages;
2. punitive or exemplary damages or the multiple portion of a multiplied damages award, where allowed by law; and
3. civil fines, penalties or assessments.

Environmental Liability Insurance

Definitions

Damages (continued)

- B. includes medical monitoring costs resulting from **bodily injury** that is physical:
1. injury;
 2. sickness; or
 3. disease;
- sustained by a person.

Emergency Expenses

Emergency expenses:

- means reasonable and necessary expenses incurred to respond to an imminent and substantial endangerment to public health, safety or welfare or to the environment.
- includes reasonable and necessary expenses for ambulance services and first aid administered at the time of an **environmental incident**.

Employee

Employee:

- includes a **leased worker**.
- does not include a **temporary worker**.

Environmental Incident

Environmental incident:

- A. means a **pollution incident, mold incident or illicit abandonment**.
- B. includes any:
1. related **pollution incident, mold incident or illicit abandonment**;
 2. series of continuous, repeated or related **pollution incidents, mold incidents and illicit abandonments**; and
 3. combination of any of the foregoing.

Environmental Laws

Environmental laws:

- means governmental laws, rules, regulations, ordinances, guidance documents and executive, judicial or administrative orders and directives applicable to an **environmental incident**.
- includes a voluntary cleanup program established pursuant to law or regulation.

Environmental Professional

Environmental professional means a person or organization certified, licensed or otherwise authorized by law or regulation in the applicable field of environmental science and approved by us.

Definitions

(continued)

Extra Expenses

Extra expenses means expenses:

- incurred by you that would not have been incurred had there been no **business interruption**; and
- that are reasonable and necessary to avoid, mitigate or minimize such **business interruption**;

but only to the extent such expenses actually reduce **business income** otherwise payable under this insurance.

Extra expenses will be reduced by any salvage value of property (obtained for temporary use during the **period of interruption**) that remains after the resumption of normal business operations.

First Named Insured

First named insured means the **named insured** first named in the Declarations.

Illicit Abandonment

Illicit abandonment means an unauthorized placement of **pollutants** or **specific biological substances** by persons or organizations other than any **insured**.

Indemnity Contract

Indemnity contract:

A. means:

1. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality; and
2. any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for such municipality) in which you assume the tort liability of another person or organization to pay **damages** for **bodily injury** or **property damage**, or **clean up costs** or **mold clean up costs**, to which this insurance applies, sustained by a third person or organization.

B. includes a contract or agreement that is designated in an endorsement titled Indemnity Contracts made a part of this insurance.

Insured

Insured:

A. means:

1. a **named insured**.
2. your directors, officers, partners, managers (if you are a limited liability company) or members (if you are a partnership, joint venture or limited liability company).
3. your **employees** while acting within the scope of their employment by you or while performing duties related to the conduct of your business.

Environmental Liability Insurance

Definitions

Insured (continued)

- B. with respect to Coverage E – Off Site Insured Operations Liability, includes a person or organization that is your client, but only if you are obligated pursuant to a written contract or agreement to provide them with such insurance as is afforded by this policy. However, such a person or organization is an **insured** only:
1. to the extent such contract or agreement requires the person or organization to be afforded status as an **insured**;
 2. for such activities that did not occur, in whole or in part, before the execution of the contract or agreement; and
 3. with respect to their liability for damages, loss, cost or expense to which this insurance applies.

With respect to subparagraph B. above, no such person or organization is an **insured** with respect to any assumption of liability (of another person or organization) by them in a contract or agreement. This limitation does not apply to the liability for **damages** for **bodily injury** or **property damage** or **clean up costs** or **mold clean up costs**, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.

However, no person or organization is an **insured** with respect to the conduct of any person or organization that is not shown as a **Named Insured** in the Declarations.

Insured Site

Insured site means a site described in the Declarations.

Lead Based Paint

Lead based paint means paint or coatings that contain lead in any form, including its presence or use in any alloy, by-product, compound or other material or **waste**.

Leased Worker

Leased worker:

- means a person leased to a party by a labor leasing firm, in a contract or agreement between such party and the labor leasing firm, to perform duties related to the conduct of the party's business.
- does not include a **temporary worker**.

Loading Or Unloading

Loading or unloading:

- A. means the handling of property:
1. after it is moved from the place where it is accepted for movement into or onto an aircraft, **auto**, rolling stock or watercraft;
 2. while it is in or on an aircraft, **auto**, rolling stock or watercraft; or
 3. while it is being moved from an aircraft, **auto**, rolling stock or watercraft to the place where it is finally delivered.
- B. does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, **auto**, rolling stock or watercraft.

Definitions

(continued)

Loss Adjustment Expenses

Loss adjustment expenses:

- A. means reasonable and necessary costs, charges and fees incurred in the investigation of, defense against or adjustment of a **claim**.
- B. includes:
 - 1. reasonable and necessary attorney and paralegal fees and expenses.
 - 2. prejudgment interest awarded against the **insured** on that part of a judgment we pay.
 - 3. other reasonable and necessary expenses that we allocate to a specific **claim**.
- C. does not include salaries or expenses of our **employees** or salaries or expenses of any **insured's employees** or directors, managers, members, officers, partners or workers (whether or not any of the foregoing is an **employee**).

Mediation

Mediation means an alternative non-binding dispute resolution process involving a neutral third party mediator.

Mold

Mold means:

- mildew, mold or other fungi; or
- mycotoxins, spores or other by-products of any of the foregoing.

As defined herein, **mold** does not include any **pollutants** or **specific biological substances**.

Mold Clean Up Costs

Mold clean up costs:

- A. means reasonable and necessary costs for neutralization, removal, remediation (including related monitoring and testing) or disposal of **mold** to the extent:
 - 1. required by **environmental laws**;
 - 2. recommended by an **environmental professional** in the absence of applicable **environmental laws**; or
 - 3. incurred by a third party including a governmental authority.
- B. includes related:
 - 1. attorney and paralegal fees and expenses incurred with our consent;
 - 2. investigation costs, response costs and **mold restoration costs**; and
 - 3. civil fines, penalties or assessments.
- C. does not include any:
 - 1. costs, charges, expenses or fees for goods or services of any **insured**, unless incurred with our consent; or
 - 2. **loss adjustment expenses**.

Environmental Liability Insurance

Definitions

(continued)

Mold Incident

Mold incident means a presence of **mold** that is visible without magnification.

Mold Restoration Costs

Mold restoration costs:

- A. means reasonable and necessary costs incurred by you to repair or replace real or personal property to substantially the same condition it was in immediately prior to being damaged during activities set forth in the definition of **mold clean up costs**.
- B. does not include any:
 1. costs incurred by or on behalf of any **insured**:
 - a. associated with improvements or betterments;
 - b. in excess of repair or replacement costs that are required to comply with any law or regulation applicable to the repair or replacement of such property; or
 - c. in excess of the appraised market value of such property immediately prior to being damaged during activities set forth in the definition of **mold clean up costs**.
 2. costs, charges, expenses or fees for goods or services of any **insured**, unless incurred with our consent.

Named Insured

Named insured means:

- persons or organizations shown in the Declarations.
- a subsidiary organization of the **first named insured** of which, during the **policy period** and at the time of loss, such **first named insured** controls, either directly or indirectly, more than 50 percent of the interests entitled to vote generally in the election of the governing body of such organization.

Natural Resources

Natural resources means land, fish, wildlife, biota, air, water, groundwater, drinking water supplies and other such resources belonging to, managed by, held in trust by, appertaining to or otherwise controlled by the United States of America (including the resources of the fishery conservation zone established pursuant to the Magnuson-Stevens Fishery Conservation and Management Act [16 USCS §§ 1801 et seq.]), any state or local government, any foreign government, any Native American tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Native American tribe.

Non-Owned Disposal Site

Non-owned disposal site means a **waste site** that is:

- used for the disposal of **waste** transported by you or on your behalf from an **insured site** or an **off site insured operation**;
 - neither owned nor operated by any **insured**; and
 - located in the United States of America (including its possessions and territories);
- provided that at the time such **waste site** accepted such **waste**, the **waste site** was:
- authorized to accept the **waste**;

Definitions

- Non-Owned Disposal Site (continued)*
- operating under the applicable permits, licenses and regulations of the applicable governmental authority; and
 - not listed on any proposed or final National Priorities List or any similar list of any governmental authority in any other jurisdiction.

Off Site Insured Operations

- Off site insured operations** means the operations or work described in the Declarations that:
- are performed by you or on your behalf; and
 - take place away from any **insured site**.

Other Insurance

Other insurance:

- A. means any insurance or bond affording coverage that this insurance would also afford.
- B. includes any:
 1. type of deductible, self-insurance or other mechanism arranged for funding of loss.
 2. discovery period or extended reporting period available under any insurance, bond or other mechanism described above.
 3. reinstatement of limits or supplemental or other limits available under any insurance, bond or other mechanism described above.
- C. does not include insurance negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Period Of Interruption

Period of interruption:

- means the period or time, beginning immediately after discovery of the **pollution incident** or **illicit abandonment**, reasonably necessary to resume or continue normal business operations at an **insured site** or a new permanent site.
- does not include any increase in the length of time needed to resume your normal business operations caused by interference of **employees** or other persons.
- ends when your normal business operations are resumed.

The expiration date of this policy will not reduce the **period of interruption**.

Policy Period

Policy period means the Policy Period shown in the Declarations for the applicable coverage.

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **waste**.

As defined herein, **pollutants** does not include any **mold** or **specific biological substances**.

Environmental Liability Insurance

Definitions

(continued)

Pollution Incident

Pollution incident means a discharge, dispersal, seepage, migration, release or escape of:

- **pollutants**; or
- **specific biological substances**;

into or upon land, a structure on land, the atmosphere or groundwater, a watercourse or other body of water.

Potential Incident

Potential incident means an **environmental incident** that would reasonably be expected to result in a **claim** to which this insurance applies.

Property Damage

Property damage means:

- A. physical injury to or destruction of **natural resources** and other tangible property, including resulting:
 1. loss of use of such **natural resources** and other tangible property
 2. diminution in value of such **natural resources** and other tangible property, if located beyond the boundaries of any **insured site**.
- B. loss of use of **natural resources** and other tangible property that is not physically injured or destroyed.

Property damage does not include any **clean up costs** or **mold clean up costs**.

Responsible Party

Responsible party means your:

- directors, officers, partners, managers (if you are a limited liability company) or members (if you are a partnership, joint venture or limited liability company);
- managers of an **insured site**; or
- managers or supervisors responsible for environmental affairs, control or compliance.

Restoration Costs

Restoration costs:

- A. means reasonable and necessary costs incurred by you to repair or replace real or personal property to substantially the same condition it was in immediately prior to being damaged during activities set forth in the definition of **clean up costs**.
- B. does not include any:
 1. costs incurred by or on behalf of any **insured**:
 - a. associated with improvements or betterments;
 - b. in excess of repair or replacement costs that are required to comply with any law or regulation applicable to the repair or replacement of such property; or
 - c. in excess of the appraised market value of such property immediately prior to being damaged during activities set forth in the definition of **clean up costs**.

Definitions

Restoration Costs (continued)

2. costs, charges, expenses or fees for goods or services of any **insured**, unless incurred with our consent.

Specific Biological Substances

Specific biological substances means:

- A.
 1. bacteria;
 2. other microorganisms; or
 3. spores or other by-products of any of the foregoing;
- B. viruses or other pathogens (whether or not microorganisms); or
- C. colonies or groups of any of the foregoing.

As defined herein, **specific biological substances** does not include any **mold** or **pollutants**.

Specific Professional Services

Specific professional services means any of the following service, advice or instruction:

- appraisal, inspection or survey.
- architecture, engineering or surveying.
- legal.
- real estate agent or broker.

Temporary Worker

Temporary worker means a person who is furnished to a party to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.

Transported Cargo

Transported cargo means materials, products or **waste**:

- after being moved from the place where it is accepted for movement into or onto an aircraft, **auto**, rolling stock or watercraft;
- while in or on an aircraft, **auto**, rolling stock or watercraft; or
- while being moved from an aircraft, **auto**, rolling stock or watercraft to the place of final delivery.

Underground Storage Tank

Underground storage tank:

- A. means any tank (including associated underground piping connected to such tank) in existence as of the beginning of the **policy period** or installed thereafter, that has at least 10 percent of its volume below ground.
- B. does not include a:
 1. septic tank, sump pump or oil/water separator;
 2. tank that is enclosed within a basement, cellar, shaft or tunnel if such tank is upon or above the surface of the floor; or
 3. storm-water or wastewater collection system.

Environmental Liability Insurance

Definitions

(continued)

Waste

Waste includes material to be recycled, reconditioned or reclaimed.

Waste Site

Waste site means a particular part of a site which is licensed by a governmental authority for the disposal, storage or treatment of **waste**.

Your Product

Your product:

A. means any:

1. goods or products (other than real property) manufactured, sold, handled, distributed or disposed of by:
 - a. you;
 - b. others trading under your name; or
 - c. a person or organization whose assets or business you have acquired; and
2. containers (other than vehicles), equipment, materials or parts furnished in connection with such goods or products.

B. includes:

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

Your Work

Your work:

A. means any:

1. operations or work performed by:
 - a. you or on your behalf; or
 - b. a person or organization whose assets or business you have acquired; and
2. equipment, materials or parts furnished in connection with such operations or work.

B. includes:

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