

GREAT AMERICAN INSURANCE COMPANY

STORAGE TANK LIABILITY POLICY - DESIGNATED TANKS

**THIS FORM PROVIDES CLAIMS-MADE AND REPORTED COVERAGE.
PLEASE READ THE ENTIRE FORM CAREFULLY.**

COVERAGE A OF THIS POLICY PROVIDES THIRD PARTY BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. COVERAGE B OF THIS POLICY PROVIDES CORRECTIVE ACTION COSTS COVERAGE ON AN INCIDENT-REPORTED BASIS. PAYMENTS, WHEN MADE, WILL REDUCE THE APPLICABLE LIMITS OF INSURANCE SET FORTH IN THE DECLARATIONS AND ARE EXCESS OF THE APPLICABLE DEDUCTIBLE.

THIS POLICY PROVIDES PAYMENTS FOR DEFENSE EXPENSE WHICH, WHEN MADE, WILL REDUCE THE APPLICABLE LIMITS OF INSURANCE FOR DEFENSE EXPENSE SET FORTH IN THE DECLARATIONS AND ARE EXCESS OF THE APPLICABLE DEDUCTIBLE.

VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE YOUR RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED.

Throughout this Policy the words "you" and "your" refer to the First 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 the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is an Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI - Definitions.

SECTION I - STORAGE TANK COVERAGE

1. Insuring Agreements

A. Coverage A – Third Party Bodily Injury and Property Damage Liability

- (1) We will pay "loss" that you become legally obligated to pay as a result of a "claim" because of "bodily injury" or "property damage" resulting from a "storage tank incident" originating at "your location," but only if:
 - (a) That "storage tank incident" first commenced on or after the applicable Retroactive Date set forth in this Policy and before the end of the "policy period;" and
 - (b) That "claim" for damages because of the "bodily injury" or "property damage" is first made against you, in writing, during the "policy period," and reported to us, in writing, during the "policy period," or any Extended Reporting Period we provide under Section V - Extended Reporting Periods.

All "claims" for "loss" because of "bodily injury" to the same person and resulting from a "storage tank incident," including damages claimed by any person or organization for care, loss of services, or death resulting at any time from such "bodily injury," will be deemed to have been made at the time the first of those "claims" is made against any insured.

All "claims" for "loss" because of "property damage" suffered by the same person or organization as a result of a "storage tank incident" will be deemed to have been made at the time the first such "claim" is made against any insured.

- (2) The amount we will pay for "loss" because of "bodily injury" or "property damage" is limited as described in Paragraph 1. of Section III - Limits of Insurance and Deductible.

B. Coverage B – Corrective Action Costs

- (1) We will pay “corrective action costs” that you become legally obligated to pay because of a “storage tank incident” originating on “your location,” but only if:
 - (a) That “storage tank incident” first commenced on or after the applicable Retroactive Date set forth in this Policy and before the end of the “policy period;” and
 - (b) That “storage tank incident” is discovered by you during the “policy period” and reported to us, in writing, during the “policy period” or any Extended Reporting Period we provide under Section V - Extended Reporting Periods.
- (2) The amount we will pay for “corrective action costs” is limited as described in Paragraph 1. of Section III - Limits of Insurance and Deductible.

C. Coverage C – Defense Expense

- (1) We will pay “defense expense” because of a “claim” for “loss” or because of “corrective action costs” to which this Policy applies, but only if:
 - (a) The applicable “claim” for “loss” is made against you and reported to us in accordance with Coverage A and otherwise covered by this Policy; or
 - (b) The applicable “storage tank incident” is reported to us in accordance with Coverage B and otherwise covered by this Policy.
- (2) The amount we will pay for “defense expense” is limited as described in Paragraph 1. of Section III - Limits of Insurance and Deductible.

2. Exclusions

This insurance does not apply to:

A. Expected or Intended Injury

“Loss” because of “bodily injury” or “property damage” and related “defense expense,” “corrective action costs” and related “defense expense,” or any other expenses that are expected or intended by a “responsible person.”

B. Contractual Liability

“Loss” because of “bodily injury” or “property damage” and related “defense expense,” “corrective action costs” and related “defense expense,” or any other expenses that you are obligated to pay by reason of the assumption of the liability of another in a contract or agreement. This exclusion does not apply to liability for damages that you would have in the absence of that contract or agreement.

C. Workers' Compensation and Similar Laws

Any obligation you have under a workers' compensation, disability benefits, or unemployment compensation law, or any similar law.

D. Employer's Liability

“Loss” because of “bodily injury” and related “defense expense” to:

- (1) An “employee” of the insured arising out of and in the course of:
 - (a) employment with the insured; or
 - (b) performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that “employee” as a consequence of Item (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

E. Damage to Property

“Loss” because of “property damage” and related “defense expense” to:

- (1) "Your location" or to any other real property you own, rent, or operate, including any costs or expenses incurred by you, or on your behalf, for the repair, replacement, enhancement, restoration or maintenance of "your location" or that property, for any reason, including prevention of injury to any person or damage to another's property;
- (2) All or any part of any premises you sell, give away, or abandon;
- (3) Any property loaned to you; or
- (4) Personal property that you own or lease or that is in your care, custody or control.

This Exclusion does not apply to "corrective action costs."

F. Failure to Comply with Laws

"Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses arising out of a "storage tank incident" which is directly or indirectly attributable to, any "responsible person's," or anyone acting on behalf of any "responsible person's" failure to comply with any applicable law, statute, regulation, ordinance, directive, or order relating to the protection of human health and the environment and promulgated by any governmental body, provided that failure to comply is a willful or deliberate act or omission.

G. Tank Contents and Closed Tanks

"Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses:

- (1) To remove, replace, or recycle the contents of any "insured tank;" or
- (2) Arising directly or indirectly from a "release" from an "insured tank" that first commences after:
 - (a) that "insured tank" has been taken out of use or operationally discontinued, if proper tank closure was not undertaken in accordance with applicable laws and regulations; or
 - (b) operational control of that "insured tank" has been relinquished by you.

H. War

"Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses, however caused or incurred, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents;
- (3) Insurrection, rioting, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or
- (4) Any act of foreign or domestic terrorism.

I. Known Conditions

"Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses arising directly or indirectly from any "release" which was known to any "responsible person", or that reasonably should have been known by any "responsible person," prior to the first day of the "policy period."

J. Prior Claims

"Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses arising directly or indirectly from any:

- (1) "Claim" for "loss" first made against you prior to the first day of the "policy period;"
- (2) "Corrective action costs" incurred prior to the first day of the "policy period;" or
- (3) Other circumstance reported to you, or reported by you under any policy of insurance in effect, prior to the first day of the "policy period."

K. Products Liability

"Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses arising directly or indirectly from goods or products manufactured, sold, handled, distributed, altered, or repaired by an insured or by others trading under an insured's name, including any failure to warn, or any reliance upon a representation or warranty, after control of those goods or products has been relinquished by the insured.

L. Retroactive Date

"Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses arising directly or indirectly from any "release" that first commenced prior to the Retroactive Date applicable to the particular "insured tank," as set forth in the Declarations or otherwise endorsed onto this Policy.

M. Vehicles

"Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses arising directly or indirectly from the ownership, use, operation, or maintenance of any automobile, aircraft, watercraft, tanker, or rolling stock. This exclusion does not apply to unintended spilling, leaking, discharging, or escaping of the contents of a storage tank on an automobile designed to transport those contents, if that unintended spilling, leaking, discharging, or escaping takes place during the transfer of those contents to an "insured tank."

3. Our Right and Duty to Defend

We have the right and duty to defend the insured against any "claim" seeking "loss" because of "bodily injury" or "property damage" to which this insurance applies, or in connection with the payment of "corrective action costs" to which this insurance applies, and to pay for the related reasonable and necessary "defense expense" as provided under Section III - Limits of Insurance. However, we have no duty to defend the insured against, nor to pay or reimburse any "defense expense" for, any "claim" seeking "loss," or in connection with the payment of "corrective action costs" not covered by this Policy.

We may, at our sole discretion, investigate any "storage tank incident" and settle any "claim" for "loss" because of "bodily injury" or "property damage" or resolve any request for "corrective action costs" that may result.

Our duty to defend and to pay or reimburse for reasonable and necessary "defense expense" is limited as described in Section III - Limits of Insurance and ends at the earlier of the following times:

- a. When we have exhausted the applicable limit of insurance by our agreement to pay judgments or settlements, or to make payments or reimbursements for "corrective action costs" or
- b. When we have exhausted the Defense Expense Limit by our agreement to pay or reimburse for "defense expense."

We have the right to designate legal counsel for the investigation, adjustment, and defense of any "claim" or in connection with the payment of "corrective action costs" to which this insurance applies. We may, where allowable by law, appoint one counsel to defend all insureds under this Policy on a joint defense basis.

4. Supplementary Payments

We will pay, only with respect to any "claim" seeking "loss" because of "bodily injury" or "property damage" we investigate or defend:

- a. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- b. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- c. The reasonable and necessary costs and fees incurred by you (up to a maximum of **\$2,500**) for the hiring of a public relations firm to minimize potential harm to your business and to maintain and restore the public's confidence in your operations, including amounts for printing, advertising, and mailing of materials,

and travel expenses by employees of the public relations firm, but only if our investigation concludes that the applicable "storage tank incident:"

- (1) poses an imminent health risk to the public or will result in imminent property damage to any premises that is not "your location," or otherwise owned, leased, or operated by an insured; and
- (2) will result in significant and material adverse publicity to you.

It is a condition precedent to coverage for any interest, costs, or fees outlined in Item 4. Supplementary Payments: (i) that such interest, costs and fees arise from a "storage tank incident" for which coverage is sought by you and afforded by us under Coverage A of this Policy; (ii) that the applicable "loss" exceeds the applicable Coverage A Deductible; and (iii) solely with regard to part c. above, that you have notified us of the applicable "storage tank incident" no later than forty-eight (48) hours after you became aware of it.

The amounts outlined in Item 4. Supplementary Payments will not reduce the Limits of Insurance as provided under Section III.

5. Duties in the Event of a Storage Tank Incident or Claim

A. You must see to it that we are notified, in writing, no later than seven (7) days after you become aware of any "storage tank incident" which may result in a "claim," request for coverage under this Policy, demand, or any other proceeding to impose an obligation on the insured for damages because of "bodily injury" or "property damage" or for "corrective action costs." This written notice should include:

- (1) How, when, and where the "storage tank incident" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury, damage or "release."

Notice of a "storage tank incident" is not notice of a "claim" under Coverage A (Section I). Notice of an "storage tank incident" is not a report of an "storage tank incident" under Coverage B (Section I) unless such notice meets the reporting requirement provided in Paragraph (1) (b) under Coverage B (Section I).

- B.** If a "claim" is made against any insured, or if a request or demand is received from a "regulatory agency" requiring action by you, because of a "storage tank incident," you must see to it that we receive written notice of such "claim" request or demand as soon as practicable.
- C.** In connection with a "storage tank incident," you must:
- (1) Immediately send us copies of any requests, 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 or settlement of the "claim" or defense against the "claim," request or demand at your expense; and
 - (4) Assist us, upon our request, in the enforcement of any right against, or the prosecution of any effort to recover from, any person or organization which may be liable to the insured because of injury or damage to which this insurance may apply.
- D.** No costs, charges, "corrective action costs," or any other expenses may be incurred, nor any payments made, obligations assumed, or remediation commenced, except at that insured's own cost, without our consent. This provision does not apply to "emergency response costs," but only if you: (i) report, in writing, the applicable "storage tank incident" to us and solicit our assistance in responding to that "storage tank incident" no later than three (3) days after the applicable emergency first commences; (ii) immediately provide us, upon request, all information available to you related to that "storage tank incident" and those "emergency response costs," including but not limited to: a description of the actions taken, reports, sampling results, correspondence, and invoices; and (iii) fully comply with terms of Section I, Paragraph 5. of this Policy.

We have no duty to pay any "emergency response costs," incurred more than seven (7) days after the applicable emergency first commences unless those "emergency response costs," are consented to by us prior to being incurred by you.

- E. Any "storage tank incident," that begins during any one policy period and continues into a subsequent policy period will be considered a single "storage tank incident." The associated "loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses, will be subject only to those Limits of Insurance as indicated in the policy in effect at the time that "storage tank incident" was first reported to us, in writing.
- F. No insured will admit liability or settle any "claim" without our consent. If we recommend a monetary settlement of a "claim" or in connection with "corrective action costs" acceptable to a claimant:
 - (1) for an amount within the Deductible and an insured refuses such settlement, we will not be liable for "Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses, in excess of the Deductible; or
 - (2) for a total amount in excess of the Deductible and within the applicable Limits of Insurance and an insured refuses such settlement, our liability for "Loss" because of "bodily injury" or "property damage" and related "defense expense," "corrective action costs" and related "defense expense," or any other expenses, shall be limited to that portion of the sum of: (a) the recommended settlement; and (b) the costs, charges and expenses already incurred as of the date of the insured's refusal, which exceeds the Deductible Amount and is within the Limit of Insurance.

6. No Other Obligation or Liability

No other obligation or liability to pay sums or to perform acts or services is covered unless explicitly provided for in this Policy.

SECTION II - WHO IS AN INSURED

- 1. If you are designated in the Declarations of this Policy as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. Any legally recognized organization other than a partnership, joint venture, or limited liability company, you are an insured. Your officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- 2. Each of the following is also an insured:
 - a. Your "employees," but only for acts within the scope of their employment with you or while performing duties related to the conduct of your business. However, none of your "employees" is an insured for:
 - (1) "Bodily injury:"
 - (a) To you, to them, or to any other employee or insured;
 - (b) To the spouse, child, parent, brother or sister of that "employee" or any insured as a consequence of Item (1) (a) above; or
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Item (1)(a) or (b) above.
 - (2) "Property damage" to property:
 - (a) Owned, operated, or used by you, any of your "employees," or any insured; or

- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your “employees,” or any insured.
- b. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Policy;
- c. any person or organization that is unrelated to another insured, but only if that person or organization is required to be an insured pursuant to a written contract that was signed by you prior to the applicable “storage tank incident” and then only to the extent that person or organization is liable because of your acts or omissions;
- d. any person or organization listed in an endorsement issued by us and made part of this Policy.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not listed as a First Named Insured in the Declarations of this Policy.

SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE

1. Limits of Insurance

- A. The Limits of Insurance set forth in the Declarations of this Policy and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) Persons or organizations making a “claim;”
 - (3) “Claims” made;
 - (4) Requests or demands made by any “regulatory agency” seeking “corrective action costs” or requiring action by you; or
 - (5) “Storage tank incidents.”
- B. Subject to the Policy Aggregate Limit of Liability, the most we will pay for all “loss” because of “bodily injury” or “property damage” arising from any one “storage tank incident” will be the lesser of the each Storage Tank Incident Limit set forth in the Declarations for Coverage A or the sum of all associated “loss” because of all “bodily injury” and all “property damage.”
- C. Subject to the Policy Aggregate Limit of Liability, the most we will pay for all “corrective action costs” arising from any one “storage tank incident” will be the lesser of the each Storage Tank Incident Limit set forth in the Declarations for Coverage B or the sum of all associated “corrective action costs.”
- D. Subject to the Policy Aggregate Limit of Liability, the most we will pay for all “defense expense” arising from any one “storage tank incident” will be the lesser of the each Storage Tank Incident Limit set forth in the Declarations for Coverage C or the sum of all associated “defense expense.” Each payment or reimbursement we make for “defense expense” reduces the Each Storage Tank Incident Limit set forth for Coverage C in the Declarations but will not reduce the other Limits of Insurance.
- E. The Policy Aggregate Limit set forth in the Declarations is the most we will pay for the sum of all:
 - (1) “Loss” because of all “bodily injury” and “property damage;”
 - (2) “Corrective action costs;” and
 - (3) “Defense expense.”

2. Deductible

We will pay “loss,” “corrective action costs” and “defense expense” only in excess of the applicable Deductible, if any, set forth in this Policy and subject to the applicable remaining Limits of Insurance. Each payment we make for “loss,” “corrective action costs” or “defense expense” reduces both the applicable each Storage Tank Incident Limit and the Policy Aggregate Limit.

Each time there is a “storage tank incident,” a separate Deductible will apply to that “storage tank incident.” However, if the same “storage tank incident” results in coverage under more than one Insuring Agreement for which a limit is stated in the Declarations, only the single highest Deductible amongst such applicable coverages will apply to all applicable coverages for that particular “storage tank incident.”

If the sum of "loss" and "corrective action costs" is less than the applicable remaining Storage Tank Incident Limit, we will pay all of any deductible amount, if applicable, to effect settlement of any "claim." Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the full deductible amount we paid.

SECTION IV - CONDITIONS

1. Bankruptcy

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

2. 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 lawsuit asking for damages from an insured; or
- b. To sue us under this policy unless all its terms 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; but we will not be liable for "loss" or for "corrective action costs" 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.

3. Other Insurance

Subject to Section III - Limits of Insurance and Deductible, where other insurance or a "tank fund" may be available to you for the payment of "loss," "corrective action costs" or "defense expense," you will, upon our request, provide us with copies of any such insurance policy(ies) or "tank fund" documents. If other valid and collectible insurance or a "tank fund" is available to you for the payment of "loss," "corrective action costs" or "defense expense," our obligations are limited as follows:

- a. Except has indicated in paragraph c. below, this insurance is primary, and our obligations are not affected unless any other valid and collectible insurance is also primary. If other valid and collectible insurance is also primary, we will share with all other such insurance in accordance with paragraph b. below.
- b. If all other valid and collectible insurance permits contribution by equal shares, we will also contribute by equal shares. Under this method, 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 other valid and collectible insurance does not allow contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limit of insurance of all insurers.
- c. In the event that this Policy affords coverage, and any applicable "tank fund" is also available to provide funding for a "loss," "corrective action costs" or "defense expense" because of a "storage tank incident," then the coverage afforded under this Policy will be excess of the funding available pursuant to that "tank fund." Our obligation to pay "loss," "corrective action costs" and "defense expense," will not begin until the "tank fund" has paid the full amount available under that "tank fund" for the applicable "storage tank incident" and you have satisfied the applicable Deductible.

4. Representations

By accepting this Policy, you agree:

- a. The statements in the application and materials submitted to us are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this Policy in reliance upon your representations.

5. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Policy to the First Named Insured, this insurance applies:

- a. As if each insured were the only insured; and
- b. Separately to each insured against whom "claim" is made.

6. Policy Issued to Comply with Law or Regulation

When requested, we agree to furnish to the director of a "regulatory agency" a duplicate original of this Policy, including all issued endorsements.

7. Cancellation/Nonrenewal

This Policy may be cancelled by the First Named Insured as indicated in Item 1. of the Declarations by surrender thereof to us by mailing, delivering, emailing, or faxing to the Company written notice stating when thereafter the cancellation will be effective. In the event of cancellation by the First Named Insured, the return premium will be computed on a pro-rata basis, subject to the applicable minimum earned premium. If a "claim" is made, a "storage tank incident" is reported to us, or coverage is otherwise afforded under this Policy, then the premium will be considered fully earned by us and you will not be entitled to a return premium upon cancellation.

This Policy may be cancelled by us by mailing, delivering, emailing, or faxing written notice to the First Named Insured at the address shown in the Declarations which states when, not less than sixty (60) days (ten (10) days for non-payment of premium) thereafter such cancellation will be effective. The mailing, delivering, emailing, or faxing of notice as aforesaid will be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice will become the end of the "policy period." If we cancel, earned premium will be computed pro rata. Premium adjustment may be made either at the time cancellation is affected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

This Policy may be cancelled by us for the following reasons: (1) non-payment of premium; or (2) fraud or material misrepresentation on the part of an insured.

If we decide not to renew this Policy, we will send written notice of nonrenewal to the First Named Insured at the address shown in the Declarations at least thirty (30) days before the end of the "policy period."

8. Financial Responsibility and Reimbursement

If this Policy is issued to certify your compliance with the federal Environmental Protection Agency's, or any state law equivalent's, financial responsibility requirements imposed on you as an owner or operator of an "insured tank," we will comply with such financial responsibility requirements. You agree to reimburse us for any payment made by us on your behalf which we would not have been obligated to make under the terms of this Policy, but for the agreement contained in the first sentence of this condition.

9. Inspections and Surveys

- a. We have the right, but are not obligated, to:
 - (1) Make inspections and surveys at any time of any "insured tank" or "your location;"
 - (2) Give you reports on the conditions we find; and
 - (3) Recommend changes.
- b. Any 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. And we do not warrant that conditions:
 - (1) Are safe or healthful; or
 - (2) Comply with laws, regulations, codes or standards.

- c. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

10. Premiums

The First Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premium we pay.

11. Changes

This Policy contains all the agreements between you and us concerning the insurance afforded. The First 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.

12. Transfer of Duties When a Limit of Insurance Is Exhausted

- a. If we believe that any of the applicable Limits of Insurance set forth in the Declarations has been or soon will be exhausted because of a "claim," or a request for "corrective action costs," or that we have paid out or will soon pay out the Policy Aggregate Limit set forth in the Declarations, we will so notify the First Named Insured, in writing, as soon as possible. We will advise you that our duty to defend any such pending "claim" has terminated, subject to payment of the limits, and that we will no longer handle the defense of any "claim" for which notice is given to us after the date we send such notice to you. We will take prompt and appropriate steps to transfer control of any existing defense prior to exhaustion of the limits to the First Named Insured. We will take appropriate steps necessary to defend the "claim" during the transfer of the defense and avoid any unfavorable legal action if you cooperate in the transfer of the duties of the defense.
- b. Our failure to comply with any of the provisions of Section IV., Item 12, will in no way obligate us to defend or continue to defend any "claim" or to pay any "loss," "corrective action costs," "defense expense," other any other sum covered under this Policy, after exhaustion of an applicable Limit of Liability.

13. Assignment

This Policy shall be void as to the assignee or transferee, if assigned or transferred without our written consent.

14. Subrogation

If you have rights to recover, from another person or organization, all or any part of a payment we make under this Policy, you shall transfer those rights to us. You shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. You will do nothing after a confirmed "storage tank incident" to prejudice such rights. Any monies recovered as a result of subrogation proceedings will accrue first to you to the extent of any payments made in excess of the Limits of Insurance, then to us to the extent of our payments made under this Policy, and then to you to the extent of your payment of the Deductible. Expenses incurred in such subrogation proceedings will be apportioned among you and us in the proportion that each interested party's share in the recovery bears to the total recovery.

SECTION V - EXTENDED REPORTING PERIODS

1. Automatic Extended Reporting Period

If this Policy is non-renewed by you or us, you are entitled to a six (6) month Automatic Extended Reporting Period for no additional premium. The Automatic Extended Reporting Period will apply to:

- a. A "claim" first made against you during the "policy period" and reported to us, in writing, during the six (6) months immediately following the end of the "policy period," provided such "claim" is otherwise covered by this Policy.

- b. A "claim" first made against you and reported to the Company, in writing, during the six (6) months immediately following the end of the "policy period," provided such "claim" arises from a "storage tank incident" reported to the Company, in writing, prior to the end of the "policy period," and that is otherwise covered by this Policy.

The Automatic Extended Reporting Period does not apply where: (1) the policy is terminated for fraud or non-payment of premium; or (2) you have purchased other insurance to replace the insurance provided under this Policy. The Automatic Extended Reporting Period does not increase or reinstate the Limits of Insurance and does not extend the "policy period."

2. Optional Extended Reporting Period

The First Named Insured may purchase an Optional Extended Reporting Period upon non-renewal of the Policy by you or us, subject to the payment of an additional premium of not more than 100% of the full Policy Premium. The Optional Extended Reporting Period shall be effective for two (2) consecutive three-hundred and sixty-five (365) day periods commencing immediately following the end of the "policy period." The First Named Insured must notify us of its election to purchase this Optional Extended Reporting Period, in writing, no less than thirty (30) days prior to the end of the "policy period." If an Optional Extended Reporting Period is purchased, the Automatic Extended Reporting Period will not apply.

The Optional Extended Reporting Period will only apply to each "claim" first made against an insured during the Optional Extended Reporting Period, but only by reason of a "storage tank incident" that is: (1) reported to us, in writing, during the "policy period;" and (2) otherwise covered by this Policy.

The Optional Extended Reporting Period may not be purchased if: (1) the Policy is terminated for fraud or non-payment of premium; or (2) you have purchased other insurance to replace the insurance provided under this Policy. The Optional Extended Reporting Period does not increase or reinstate the Limits of Insurance and does not extend the "policy period."

It is a condition precedent to the operation of the rights granted under Section V.2. that payment of the appropriate premium be made by you no later than thirty (30) days after expiration of the "policy period."

For purposes of Section V. our quotation of different Limits of Insurance, Deductible Amounts, terms or conditions will not be construed as either a termination of, or a decision not to renew, this Policy.

SECTION VI - DEFINITIONS

1. "Aboveground storage tank" means any enclosed container or vessel that has at least ninety percent (90%) of its volume above the surface of the ground, including any attached pumps, piping and equipment, if such tank is owned or operated by you and is listed in the Declarations or otherwise scheduled onto this Policy.
2. "Bodily injury" means:
 - a. Physical injury, sickness, or disease sustained by a person, including death resulting from any of these at any time;
 - b. Mental anguish, emotional distress, or shock sustained by a person; or
 - c. Court ordered medical monitoring of a person.
3. "Claim" means:
 - a. A written demand, notice, or assertion of a legal right alleging liability or responsibility against you, commenced in the "coverage territory," because of a "storage tank incident" in which "loss" because of "bodily injury" or "property damage" is alleged against you, including:
 - (1) An arbitration proceeding in which that "loss" is claimed and to which you must submit or to which you submit with our consent; or
 - (2) Any other alternative dispute resolution proceeding in which that "loss" is claimed and to which the insured submits with our consent.

- b. A civil proceeding or an administrative hearing commenced in the “coverage territory” in which payment of “corrective action costs” is sought.

- 4. “Corrective action costs” means reasonable and necessary expenses incurred by you in response to a confirmed “storage tank incident” for corrective action as specified in:
 - a. 40 CFR Sections 280.60-280.67 promulgated by the federal Environmental Protection Agency (EPA), or other applicable federal laws and regulations;
 - b. any laws or regulations promulgated under any applicable state storage tank program; or
 - c. a written order or directive from a “regulatory agency.”

“Corrective action costs” include “emergency response costs” and civil fines, penalties, or assessments, but only where insurable by applicable law.

- 5. “Coverage territory” means the United States of America (including its territories or possessions)
- 6. “Defense expense” means reasonable and necessary legal fees and expenses incurred in the defense of any “claim” or in association with the request for the payment of “corrective action costs” to which this insurance applies, including:
 - a. Fees and salaries of attorneys and paralegals we retain.
 - b. All other litigation expenses.
 - c. Costs taxed against the insured by a court of competent jurisdiction.

“Defense expense” does not include salaries and expenses of your “employees” nor the fees and expenses of any supervisory or monitoring counsel engaged by you, unless otherwise required by applicable law.

- 7. “Emergency response costs” mean the reasonable and necessary expenses incurred by you in response to a confirmed “storage tank incident,” where delay in responding to that “storage tank incident” would cause imminent injury to persons, imminent damage to the property of a person or organization that is not an insured, or increase significantly the costs of remediating the applicable “release.”
- 8. “Employee” means any person that you pay to perform labor at your direction and includes any “leased worker.” “Employee” does not include a “temporary worker.”
- 9. “Insured tank” means any “aboveground storage tank” or any “underground storage tank” owned or operated by you and listed in the Declarations or in an Insured Tank Schedule made part of this Policy.
- 10. “Leased worker” means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. “Leased worker” does not include a “temporary worker.”
- 11. “Loss” means a monetary award of compensatory damages enforceable by a court of competent jurisdiction or pursuant to a settlement, agreed to by us, in writing, because of “bodily injury” or “property damage” to which this insurance applies. “Loss” does not include any non-pecuniary or injunctive relief, the costs to repair, correct, or replace any work performed by or on your behalf, any of your overhead or profits, or any civil or criminal fines, penalties, or assessments.
- 12. “Natural resource damage” means the physical injury to, or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value of 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 (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act 16 U.S.C. 1801 *et. seq.*), any state, local or provincial government, any foreign government, any Native American tribe, or, if such resources are subject to a trust restriction or alienation, any member of a Native American tribe.
- 13. “Policy Period” means the period of time set forth in Item 2. of the Declarations unless this Policy is cancelled either by you or us as permitted by the terms of this Policy. Upon cancellation, the “policy period” ends at the effective date and time of the cancellation.
- 14. “Property damage” means:

- a. Physical injury to, or destruction of, the tangible property of a person or entity that is not an insured, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury or destruction that caused it;
- b. Loss of use of tangible property that is not physically injured or destroyed but has been withdrawn from use or rendered inaccessible because of a "storage tank incident." All such loss of use shall be deemed to occur at the time of the "storage tank incident" that caused it;
- c. diminution in value of the real property of a person or entity that is not an insured; or
- d. "natural resource damage."

"Property damage" does not include "corrective action costs." For the purposes of this insurance, electronic data is not tangible property. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

15. "Regulatory agency" means the federal Environmental Protection Agency (EPA), or a state agency responsible for implementing an approved storage tank program that is solvent at the time of the applicable "claim" or request for "corrective action costs" is made. If no such state agency exists, or if it does not jurisdiction over the applicable "storage tank incident," "regulatory agency" means the applicable state agency charged with administering and implementing that state's environmental laws and regulations.
16. "Responsible person" means:
 - a. you;
 - b. if you are an organization, your officers, directors, members, or partners and your manager, foreman, or supervisor responsible for environmental or health and safety affairs, control or compliance; or
 - c. any manager of "your location."
17. "Release" means:
 - a. the unintended spilling, leaking, discharging, escaping, or leaching from an "insured tank" the contents of that "insured tank;" or
 - b. the unintended spilling, leaking, discharging, or escaping of the contents of a storage tank during the transfer of those contents from an automobile, designed to transport those contents, to an "insured tank,"into or upon the land, any structure on the land, the atmosphere, or any watercourse or body of water including groundwater.
18. "Storage tank incident" means a "release" from an "insured tank." The entirety of any one continuous or ongoing "release" resulting from the same cause and from the same "insured tank" will be deemed to be one "storage tank incident."
19. "Tank fund" means any state storage tank trust fund, state administered insurance program, restoration funding program or similar fund or program, or any self-insurance fund, available to the owner or operator of an "underground storage tank" or "aboveground storage tank" that has been established for the purpose of funding "loss" or "corrective action costs" arising from or related to any "storage tank incident."
20. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
21. "Underground storage tank" means any enclosed container or vessel that has more than ten percent (10%) of its volume below the surface of the ground, including any attached pumps, piping and equipment, if such tank is owned or operated by you and is listed in the Declarations or otherwise scheduled onto this Policy. However, "underground storage tank" does not include any oil/water separators, storm-water collection systems, or any tank that is fully contained within a subterranean room of a "your location."
22. "Your location" means real property owned, leased, or operated by you that is listed in the Declarations and where you own or operate an "insured tank."