

1 **Q. Please advise if the Company maintains insurance for the purpose of environmental**  
2 **clean up of oil spills.**

3  
4 **A. *Liability Insurance***

5 For the current policy period (July 1, 2002 – July 1, 2003), the Company has “Limited  
6 Pollution” coverage extension under its Commercial General Liability insurance policy.

7  
8 This coverage covers third party Bodily Injury and Property Damage claims arising out  
9 of the unexpected and unintentional (a.k.a. sudden and accidental) discharge, dispersal,  
10 release or escape of pollutants, provided such incidents are detected within 120 hours of  
11 commencement of the incident and reported to the insurer within 120 hours of detection.  
12 A \$10,000 deductible applies to each occurrence.

13  
14 Coverage is specifically excluded for third party claims arising from the gradual  
15 discharge, dispersal, release or escape of pollutants (e.g. leaks from rust), as well as all  
16 first party claims.

17  
18 ***Property Insurance***

19 For the current policy period (July 1, 2002 – July 1, 2003), general property coverage for  
20 environmental clean up of oil spills is excluded under the Company’s All-Risk Property  
21 insurance policy.