

CHUBB®

LEAD SHEET

FOR:

LOCKTON COMPANIES LLC

RUN DATE: 01/02/2018

POLICY NUMBER: ORP G27873406

ID: Z02FERR1

RUN BY: ACEINA\RDFERR

PAGES OF THIS COPY: 0029

INSURED'S NAME

The Maryland and Delaware Railroad Company



Chubb Producer Compensation Practices & Policies

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

CHUBB®

ACE American Insurance Company
436 Walnut Street
Philadelphia PA 19106

Owners And Contractors Protective Railroad Protective Liability Declarations

POLICY NUMBER: ORP G27873406**EXPIRING POLICY NUMBER:** ORP G27860357**RENEWAL****ITEM ONE****Named Insured:** The Maryland and Delaware Railroad Company**Address:** 106 Railroad Avenue
Federalsburg MD 21632**Producer Number:** 115579**Producer Name:** LOCKTON COMPANIES LLC**Producer Address:** 444 WEST 47TH STREET
SUITE 900
KANSAS CITY MO 64112-1906**Commission:** Nil

Form of Business: ☒ **Corporation** ☐ **Limited Liability Company**
☐ **Other** _

Named Insured's business: Railroad**Policy Period:** Policy covers from 01/01/2018 to 01/01/2019 12:01 am standard time at the named insured's address stated above.**Audit Period:** None, unless otherwise stated: ☐ **Semi-Annual** ☐ **Quarterly** ☐ _**Total Advance Premium (including surcharges):** \$1,000.00**Refer to Surcharge Schedule for surcharge amounts.**

CHUBB®ACE American Insurance Company
436 Walnut Street
Philadelphia PA 19106**Owners And Contractors Protective
Railroad Protective
Liability Declarations****POLICY NUMBER:** ORP G27873406**COVERAGES AND LIMITS OF INSURANCE**

EACH OCCURRENCE LIMIT	\$	5,000,000	
AGGREGATE LIMIT	\$		10,000,000
	\$		
	\$		
	\$		

CONTRACTOR INFORMATION

Job Location: Parcel of Land: 894 located in Worchester County, MD 21863

Name and Address of

Designated Contractor: Tyson Foods, Inc.
2200 Don Tyson Parkway
Springdale, AR 72762Name and Address of Involved Governmental
Authority Or Other Contracting Party (if applicable):Description of Operations: Tyson's feed mill usage of grain pits located on land owned by The Maryland and Delaware
Railroad Company

Class Code: 40011

SCHEDULE OF NOTICES

Form No.	Description
ALL208871006	Chubb Producer Compensation Practices & Policies
ILP0010104	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders

SCHEDULE OF COVERAGE FORMS

Form No.	Description
CG00350413	Railroad Protective Liability Coverage Form

SCHEDULE OF ENDORSEMENTS

Endt. No.	Form No.	Description
1	ALL224211011	Surcharge Schedule



ACE American Insurance Company
436 Walnut Street
Philadelphia PA 19106

Owners And Contractors Protective Railroad Protective Liability Declarations

POLICY NUMBER: ORP G27873406

Endt. No.	Form No.	Description
2	CC24180c0314	Signatures
3	ALL44289c1116	Direct Action Expenses
4	LD3R15a687	Exclusion - Absolute Pollution
5	LD3R160387	Exclusion - Asbestos
6	LD4S35692	Exclusion – Lead
7	ALL180571211	Notification Of Premium Adjustment
8	LD4883788	Pyramiding Of Limits Endorsement
9	ALL211011106	Trade Or Economic Sanctions Endorsement
10	IL09850115	Disclosure Pursuant To Terrorism Risk Insurance Act
11	IL00210908	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
12	CG21700115	Cap On Losses From Certified Acts Of Terrorism
13	CG29701217	Maryland Changes – Cancellation And Nonrenewal
14	CG31350602	Maryland Changes - Premium Audit Condition (Railroad Protective Liability)

SURCHARGE SCHEDULE

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 1
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 to 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

The following surcharge(s) have been applied at inception of this policy:

[illegible]

Surcharges will be adjusted at audit and concurrent with any other applicable premium adjustment. The rates used to adjust the surcharges are set by the states. The formulae for the adjustment bases used to adjust the surcharges are also set by the states.

SIGNATURES

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 2
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 TO 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.


THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA (A stock company)
BANKERS STANDARD INSURANCE COMPANY (A stock company)
ACE AMERICAN INSURANCE COMPANY (A stock company)
ACE PROPERTY AND CASUALTY INSURANCE COMPANY (A stock company)
INSURANCE COMPANY OF NORTH AMERICA (A stock company)
PACIFIC EMPLOYERS INSURANCE COMPANY (A stock company)
ACE FIRE UNDERWRITERS INSURANCE COMPANY (A stock company)
WESTCHESTER FIRE INSURANCE COMPANY (A stock company)

436 Walnut Street, P.O. Box 1000, Philadelphia, Pennsylvania 19106-3703


 REBECCA L. COLLINS, Secretary


 JOHN J. LUPICA, President

Authorized Representative

Chubb. Insured.™

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. 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 V – Definitions.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any occurrence and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverage A.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" occurs during the policy period; and

- (2) The "bodily injury" or "property damage" arises out of acts or omissions at the "job location" which are related to or are in connection with the "work" described in the Declarations.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages assumed in a contract or agreement that is a "covered contract".

c. Completed Work

"Bodily injury" or "property damage" occurring after the "work" is completed. The "work" will be deemed completed at the earliest of the following times:

- (1) When all the "work" called for in the "contractor's" contract has been completed.
- (2) When all the "work" to be done at the "job location" has been completed.
- (3) When that part of the "work" done at the "job location" has been put to its intended use by you, the governmental authority or other contracting party.

This exclusion does not apply to "bodily injury" or "property damage" resulting from the existence of or removal of tools, uninstalled equipment or abandoned or unused materials.

d. Acts Or Omissions Of Insured

"Bodily injury" or "property damage", the sole proximate cause of which is an act or omission of any insured other than acts or omissions of any of "your designated employees". This exclusion does not apply to injury or damage sustained at the "job location" by any of "your designated employees" or employee of the "contractor", or by any employee of the governmental authority or any other contracting party (other than you) specified in the Declarations.

e. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law. This exclusion does not apply to any obligation of the insured under the Federal Employers Liability Act, as amended.

f. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at or from the "job location":

- (1) Due to the past or present use of the "job location" by you or for you or others for the handling, storage, disposal, processing or treatment of waste; or
- (2) Due to the dumping or disposal of waste on the "job location" by the "contractor" with the knowledge of you or any of "your designated employees"; or
- (3) On which you or "contractors" working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the "job location" in connection with such operations by you, the "contractor" or "your designated employee". However, this subparagraph does not apply to:
 - (a) "Bodily injury" or "property damage" arising out of fuels or lubricants for equipment used at the "job location".
 - (b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (4) On which you or "contractors" working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

g. Damage To Owned, Leased Or Entrusted Property

"Property damage" to property owned by you or leased or entrusted to you under a lease or trust agreement.

h. War

"Bodily injury" or "property damage", however caused, 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; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

COVERAGE B – PHYSICAL DAMAGE TO PROPERTY

1. Insuring Agreement

We will pay for "physical damage to property" to which this insurance applies. The "physical damage to property" must occur during the policy period. The "physical damage to property" must arise out of acts or omissions at the "job location" which are related to or in connection with the "work" described in the Declarations. The property must be owned by or leased or entrusted to you under a lease or trust agreement.

2. Exclusions

This insurance does not apply to "physical damage to property":

a. Completed Work

Occurring after the "work" is completed. The "work" will be deemed completed at the earliest of the following times:

- (1) When all the "work" called for in the "contractor's" contract has been completed.
- (2) When all the "work" to be done at the "job location" has been completed.
- (3) When that part of the "work" done at the "job location" has been put to its intended use by you, the governmental authority or other contracting party.

This exclusion does not apply to "physical damage to property" resulting from the existence of tools, uninstalled equipment or abandoned or unused materials.

b. Acts Or Omissions Of Insured

The sole proximate cause of which is an act or omission of any insured other than acts or omissions of any of "your designated employees".

c. Nuclear Incidents Or Conditions

Due to nuclear reaction, nuclear radiation or radioactive contamination or to any related act or condition.

d. Pollution

Due to the discharge, dispersal, seepage, migration, release or escape of "pollutants" excluded under Exclusion f. Pollution, Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGE A

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
3. 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.
4. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
5. Expenses incurred by the insured for first aid administered to others at the time of an accident, for "bodily injury" to which this insurance applies.
6. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
7. 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.

These payments will not reduce the limits of insurance.

SECTION II – WHO IS AN INSURED

1. You are an insured.
2. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers and directors.
3. Your stockholders are insureds, but only with respect to their liability as stockholders.

4. Any railroad operating over your tracks is an insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all damages because of all "bodily injury", all "property damage" and all "physical damage to property".
3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for the sum of all damages because of all "bodily injury", all "property damage" and all "physical damage to property" arising out of any one occurrence.
4. Subject to Paragraph 3. above, the payment for "physical damage to property" shall not exceed the lesser of:
 - a. The actual cash value of the property at the time of loss; or
 - b. The cost to repair or replace the property with other property of like kind or quality.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – CONDITIONS

- A.** The following Conditions apply to Coverages A and B:
1. **Assignment**
Assignment of interest under this Coverage Part shall not bind us unless we issue an endorsement consenting to the assignment.
 2. **Bankruptcy**
Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
 3. **Cancellation**
 - a. You may cancel this policy by mailing or delivering to us advance written notice of cancellation.

- b. We may cancel this policy by mailing or delivering to you, the "contractor" and any involved governmental authority or other contracting party designated in the Declarations, at the respective mailing addresses last known to us, written notice of cancellation at least 60 days before the effective date of cancellation.
- c. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- d. If this policy is cancelled, any unearned premium will be refunded. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- e. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. You are 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.

5. Inspections And Surveys

- a. We have the right to:
 - (1) Make inspections and surveys at any time;
 - (2) Give you reports on the conditions we find; and
 - (3) Recommend changes.
- b. We are not obligated to make inspections, surveys, reports or recommendations and any such actions we do undertake 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. Paragraphs **a.** and **b.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

- d. Paragraph **b.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

6. Other Insurance

The insurance afforded by this policy is:

- a. Primary insurance and we will not seek contribution from any other insurance available to you except if the other insurance is provided by a contractor other than the designated contractor for the same operation and "job location"; and
- b. If the other insurance is available, we will share with that other insurance by the method described below.

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

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

7. Premium And Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Contract cost, the premium base shown in the Declarations, means the total cost of the operations described in the Declarations.
- c. The premium shown in the Declarations as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the "contractor" designated in the Declarations. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the contractor designated in the Declarations.

In no event shall the payment of premium be your obligation.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this policy, 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.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

B. The following Conditions apply to Coverage A only:

1. 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 "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of 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 damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

2. Duties In The Event Of Occurrence, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an occurrence which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the occurrence took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the occurrence.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (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 "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Separation Of Insureds

Except with respect to the Limits of Insurance, this insurance applies:

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

C. The following Conditions apply to Coverage B only:

1. Appraisal

If you fail to agree with us on the value of the property, or the amount of loss, either you or we may make written demand for an appraisal of the loss within 60 days after proof of loss is filed. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we still retain our right to deny the claim.

2. No Benefit To Bailee

No person or organization, other than you, having custody of the property will benefit from this insurance.

3. Insured's Duties In The Event Of A Loss

You must:

- a. Protect the property, whether or not the loss is covered by this policy. Any further loss due to your failure to protect the property shall not be recoverable under this policy. Reasonable expenses incurred in affording such protection shall be deemed to be incurred at our request; and
- b. Submit to us, as soon after the loss as possible, your sworn proof of loss containing the information we request to settle the loss and, at our request, make available the damaged property for examination.

4. Legal Action Against Us

No person or organization has a right under this policy to sue us on this policy unless all of its terms have been fully complied with and until 30 days after proof of loss is filed and the amount of loss is determined as provided in this policy.

5. Payment Of Loss

We may pay for the loss in money, but there can be no abandonment of any property to us.

SECTION V – DEFINITIONS

1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. "Contractor" means the contractor designated in the Declarations and includes all subcontractors working directly or indirectly for that "contractor" but does not include you.
3. "Covered contract" means any contract or agreement to carry a person or property for a charge or any interchange contract or agreement respecting motive power, or rolling stock equipment.
4. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
5. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
6. "Job location" means the job location designated in the Declarations including any area directly related to the "work" designated in the Declarations. "Job location" includes the ways next to it.
7. "Physical damage to property" means direct and accidental loss of or damage to rolling stock and their contents, mechanical construction equipment or motive power equipment, railroad tracks, roadbeds, catenaries, signals, bridges or buildings.
8. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
9. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
10. "Suit" means a civil proceeding in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
11. "Work" means work or operations performed by the "contractor" including materials, parts or equipment furnished in connection with the work or operations.
12. "Your designated employee" means:
 - a. Any supervisory employee of yours at the "job location";
 - b. Any employee of yours while operating, attached to or engaged on work trains or other railroad equipment at the "job location" which are assigned exclusively to the "contractor"; or
 - c. Any employee of yours not described in Paragraph a. or b. above who is specifically loaned or assigned to the work of the "contractor" for the prevention of accidents or protection of property.

DIRECT ACTION EXPENSES

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 3
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 TO 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
AUTO DEALERS COVERAGE FORM**

The following is added to the SUPPLEMENTARY PAYMENTS provision of the policy and any endorsement attached to the policy which modifies or amends the SUPPLEMENTARY PAYMENTS provision of the policy:

In addition, we will pay for all reasonable "Direct Action Expenses".

As used in this endorsement, "Direct Action Expenses" means all defense, investigation, settlement, legal costs and expenses, and prejudgment interest, that we incur and that arise out of or relate to any "suit", seeking payment of damages under this policy, which "suit" is brought or made directly against us pursuant to any law that grants a third party the right to bring a direct action against us by virtue of the issuance of this policy. "Direct Action Expenses" also include expenses related to any appeal from a judgment.

Direct Action Expenses do not include any such expenses that we incur if we are sued because of the entry of a default judgment against an insured, if that default judgment was entered solely due to our mistake in the handling of the initial "suit" and the insured provided us with timely notice of that "suit".

All other terms and conditions remain unchanged.

Authorized Representative

EXCLUSION - ABSOLUTE POLLUTION

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 4
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 to 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

FARM COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

PRODUCTS/COMPLETED OPERATION LIABILITY COVERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK

Any exclusion in the policy relating to the actual, alleged, or threatened discharge, dispersal, release or escape of pollutants and any loss, costs, or expense arising therefrom is replaced by the following:

"bodily injury" or "property damage" arising out of or in any way related to the actual, alleged, or threatened discharge, dispersal, release or escape of pollutants by whomever caused, including, but not limited to, into or upon land, the atmosphere or any watercourse or body of water, including underground water or water table supplies.

This insurance also does not apply to any cost or expense arising out of any demand or request that an insured test for, assess, monitor, clean-up, remove, contain, treat, detoxify, or neutralize any pollutants. This includes demands, directives, complaints, suits, or requests brought by any governmental entity or by any person or group of persons.

We shall not have the duty to defend any claim or suit seeking to impose such costs, expenses, liability for damages, or any other relief.

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to smoke, vapors, soot, fumes, acids, alkalis, chemicals and wastes, including materials to be recycled, reconditioned, or reclaimed.

This exclusion does not apply to:

"Bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire:

- (a) At or from premises you own, rent, or occupy; or
- (b) At or from any site or location on which you or any of your contractors working directly or indirectly on your behalf are performing operations, if pollutants are brought on or to the site in connection with such operations.

A hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Authorized Agent

EXCLUSION – ASBESTOS

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 5
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 to 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
FARM COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
POLLUTION LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK**

This insurance does not apply to any loss, demand, claim or “suit” arising out of or related in any way to asbestos or asbestos-containing materials.

Authorized Agent

EXCLUSION – LEAD

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 6
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 to 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement amends all insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY FORM
FARM COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK**

**THE COMBINED POLICY – SECTION II
COMMERCIAL FARM POLICY – SECTION II
FARMERS PACKAGE POLICY – SECTION II**

This insurance does not apply to, and we shall have no duty of any kind with respect to, any injury, damage, expense, cost, loss, liability or legal obligation arising out of or allegedly arising out of or in any way related to the toxic properties of lead or lead-containing products, materials or substances.

This exclusion applies to all forms of lead, including but not limited to solid, liquid, vapor and fumes.

This exclusion applies, but is not limited, to any injury, damage, expense, cost, loss, liability or legal obligation to test for, monitor, abate, remove, or take any other remedial action with respect to lead or lead-containing products, materials or substances.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not also exclude coverage for lead-related injury, damage, expense, cost, loss, liability or legal obligation.

Authorized Agent

NOTIFICATION OF PREMIUM ADJUSTMENT

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 7
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 to 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

For the states and lines of business in which regulatory approval has been granted for the NCCI Large Risk Alternative Rating Option, the ISO Large Risk Alternative Rating Option, or the independently filed Chubb Large Risk Rating Plan, the premiums for this policy will be adjusted in accordance with the Notice of Election, signed by you.

Authorized Representative

PYRAMIDING OF LIMITS ENDORSEMENT

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 8
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 to 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
POLLUTION LIABILITY COVERAGE FORM
PRODUCTS/ COMPLETED OPERATIONS COVERAGE FORM
FARM COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK**

Two or More Coverage Forms or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "occurrence" the maximum applicable per Occurrence and Aggregate Limits of Insurance available under all the Coverage Forms or policies shall not be the total of the per Occurrence or Aggregate Limits of Insurance for those Coverage Forms or policies but rather shall not exceed the highest applicable per occurrence and Aggregate Limits of Insurance under any one Coverage Form or policy. The condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

Authorized Agent

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured The Maryland and Delaware Railroad Company			Endorsement Number 9
Policy Symbol ORP	Policy Number G27873406	Policy Period 01/01/2018 TO 01/01/2019	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.

Authorized Agent

SCHEDULE

Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be

liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

“Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a “nuclear reactor”.

“Waste” means any waste material **(a)** containing “by-product material” other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its “source material” content, and **(b)** resulting from the operation by any person or organization of any “nuclear facility” included under the first two paragraphs of the definition of “nuclear facility”.

“Nuclear facility” means:

- (a)** Any “nuclear reactor”;
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing “spent fuel”, or **(3)** handling, processing or packaging “waste”;

- (c)** Any equipment or device used for the processing, fabricating or alloying of “special nuclear material” if at any time the total amount of such material in the custody of the “insured” at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of “waste”;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

**COMMERCIAL GENERAL LIABILITY
CG 21 70 01 15**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

**COMMERCIAL GENERAL LIABILITY
CG 29 70 12 17**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARYLAND CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

A. Paragraph A.3.b. of the Section IV – Cancellation Condition is replaced by the following:

b. Cancellation Of Policies In Effect

(1) For 45 Days Or Less

When this Policy has been in effect for 45 days or less and is not a renewal policy, we may cancel this Policy by mailing to you, the "contractor" and any involved governmental authority or other contracting party designated in the Declarations, at the last mailing addresses known to us, written notice of cancellation, stating the reason for cancellation, at least:

- (a)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- (b)** 15 days before the effective date of cancellation if we cancel because the risk does not meet our underwriting standards.

(2) For More Than 45 Days

When this Policy has been in effect for more than 45 days or is a renewal policy, we may cancel this Policy by mailing to you, the "contractor" and any involved governmental authority or other contracting party designated in the Declarations, at the last mailing addresses known to us, written notice of cancellation at least:

- (a)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

- (b)** 45 days before the effective date of cancellation if we cancel for a permissible reason other than nonpayment of premium, stating the reason for cancellation. Under this Paragraph **(b)**, we may cancel only for one or more of the following reasons:

- (i)** When there exists material misrepresentation or fraud in connection with the application, policy, or presentation of a claim.
- (ii)** A change in the condition of the risk that results in an increase in the hazard insured against.
- (iii)** A matter or issue related to the risk that constitutes a threat to public safety.

If we cancel pursuant to Paragraph **(2)(b)**, you may request additional information on the reason for cancellation within 30 days from the date of our notice.

B. Paragraph A.3.d. of the Section IV – Cancellation Condition is replaced by the following:

- d.** If this Policy is cancelled, any unearned premium will be refunded.

(1) The refund will be pro rata if:

- (a)** We cancel; or
- (b)** The Policy is not a renewal policy, and you cancel upon receiving written notice that we recalculated the premium based on the discovery of a material risk factor during the first 45 days the Policy has been in effect.

- (2) If you cancel, other than the cancellation described in Paragraph (1)(b), the refund will be calculated as follows:

(a) Policies Written For One Year Or Less

We will refund 90% of the pro rata unearned premium.

(b) Policies Written For More Than One Year

- (i) If the Policy is cancelled in the first year, we will refund 90% of the pro rata unearned premium for the first year, plus the full annual premium for subsequent years.

- (ii) If the Policy is cancelled after the first year, we will refund the pro rata unearned premium.

(c) Continuous And Annual Premium Payment Policies

We will refund 90% of the pro rata unearned premium for the year in which the Policy is cancelled.

We will retain the minimum premium, except if the Policy is cancelled as of the inception date.

However, if this Policy is financed by a premium finance company and we or the premium finance company or you cancel the Policy, the refund will consist of the gross unearned premium computed pro rata, excluding any expense constant, administrative fee or nonrefundable charge filed with and approved by the insurance commissioner.

The cancellation will be effective even if we have not made or offered a refund.

C. Paragraph A.3.e. of the Section IV – Cancellation Condition is replaced by the following:

- e. We will send notice of cancellation to you, the "contractor" and any involved governmental authority or other contracting party designated in the Declarations, by a "first-class mail tracking method" if:
- (1) We cancel for nonpayment of premium; or
 - (2) This Policy is not a renewal of a policy we issued and has been in effect for 45 days or less.

We will send notice to you, the "contractor" and any involved governmental authority or other contracting party designated in the Declarations, by a "first-class mail tracking method" or by commercial mail delivery service if we cancel for a reason other than nonpayment of premium and this Policy:

- (1) Is a renewal of a policy we issued; or
- (2) Has been in effect for more than 45 days.

We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.

D. Paragraph A.9. of Section IV – Conditions is replaced by the following:

9. When We Do Not Renew

- a. We may elect not to renew this Policy by mailing notice of nonrenewal to the first Named Insured at the last mailing address known to us at least 45 days before the expiration date of this Policy.
- b. We will send notice of nonrenewal to the first Named Insured by a "first-class mail tracking method" or by commercial mail delivery service. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.
- c. When we elect not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, we will provide a written statement of the actual reason for the refusal to renew. You may request additional information within 30 days from the date of our notice.
- d. If we offer to renew at least 45 days before the renewal date and you fail to make the required premium payment by the renewal date, the Policy will terminate on the renewal date for nonpayment of premium.

E. The following definition is added:

"First-class mail tracking method" means a method that provides evidence of the date that a piece of first-class mail was accepted for mailing by the United States Postal Service, including a certificate of mail and an electronic mail tracking system used by the United States Postal Service.

"First-class mail tracking method" does not include a certificate of bulk mailing.

**COMMERCIAL GENERAL LIABILITY
CG 31 35 06 02**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MARYLAND CHANGES – PREMIUM
AUDIT CONDITION (RAILROAD PROTECTIVE LIABILITY)**

This endorsement modifies insurance provided under the following:

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

Paragraph **A.7.c.** of **Section IV – Conditions** is replaced by the following:

7. Premium And Premium Audit

- c.** The premium shown in the Declarations as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the "contractor" designated in the Declarations. The due date for audit and retrospective premiums is 30 days from the date of the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the contractor designated in the Declarations.