

JS 44 (Rev. 12/07)

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

10-7614

I. (a) PLAINTIFFS
 APPALACHIAN INSURANCE COMPANY,

(b) County of Residence of First Listed Plaintiff Providence, RI
 (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)
 Christie, Pabarue, Mortensen and Young, A Professional Corporation, 1880 JFK Boulevard, 10th Floor, Phila. PA 19103 215-

DEFENDANTS
 INSURANCE COMPANY OF NORTH AMERICA

County of Residence of First Listed Defendant Philadelphia, PA
 (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

1 U.S. Government Plaintiff
 2 U.S. Government Defendant
 3 Federal Question (U.S. Government Not a Party)
 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in This State	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input checked="" type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input checked="" type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input checked="" type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS			
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition			

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding
 2 Removed from State Court
 3 Remanded from Appellate Court
 4 Reinstated or Reopened
 5 Transferred from another district (specify)
 6 Multidistrict Litigation
 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 U.S.C. Section 1332(a)(1)

Brief description of cause:
Breach of Contract, Declaratory Judgment

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ 75,000.00

CHECK YES only if demanded in complaint:
 JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions):

JUDGE DOCKET NUMBER

DATE 12/30/10 SIGNATURE OF ATTORNEY OR REPORTER [Signature]

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

DEC 30 2010

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate judges.

RB

10 7614

Address of Plaintiff: 1361 Atwood Ave., Johnston, Rhode Island 02919

Address of Defendant: 436 Walnut St., Philadelphia, Pennsylvania 19106

Place of Accident, Incident or Transaction: Refusal to honor terms of reinsurance contract between diverse parties. (Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock? (Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a)) Yes [X] No []

Does this case involve multidistrict litigation possibilities? RELATED CASE, IF ANY: Yes [] No [X]

Case Number: Judge Date Terminated:

Civil cases are deemed related when yes is answered to any of the following questions:

- 1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court? Yes [] No [X]
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court? Yes [] No [X]
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court? Yes [] No [X]

CIVIL: (Place check in ONE CATEGORY ONLY)

A. Federal Question Cases:

- 1. Indemnity Contract, Marine Contract, and All Other Contracts
2. FELA
3. Jones Act-Personal Injury
4. Antitrust
5. Patent
6. Labor-Management Relations
7. Civil Rights
8. Habeas Corpus
9. Securities Act(s) Cases
10. Social Security Review Cases
11. All other Federal Question Cases (Please specify)

B. Diversity Jurisdiction Cases:

- 1. Insurance Contract and Other Contracts
2. Airplane Personal Injury
3. Assault, Defamation
4. Marine Personal Injury
5. Motor Vehicle Personal Injury
6. Other Personal Injury (Please specify)
7. Products Liability
8. Products Liability — Asbestos
9. All other Diversity Cases (Please specify)

ARBITRATION CERTIFICATION

(Check appropriate Category)

William F. McDevitt, counsel of record do hereby certify:

Pursuant to Local Civil Rule 53.2, Section 3(e)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs;

Relief other than monetary damages is sought.

DATE: 12/30/10

[Signature] Attorney-at-Law

80206 Attorney I.D.#

DEC 30 2010

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: 12/30/10

[Signature] Attorney-at-Law

80206 Attorney I.D.#

RB

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

CASE MANAGEMENT TRACK DESIGNATION FORM

APPALACHIAN INSURANCE COMPANY,

: CIVIL ACTION

v.

10 7614

INSURANCE COMPANY OF
NORTH AMERICA,

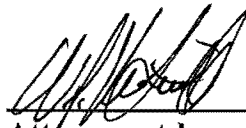
: NO.

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a Case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a Case Management Track Designation Form specifying the track to which that defendant believes the case should be assigned.

SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

- (a) Habeas Corpus – Cases brought under 28 U.S.C. § 2241 through § 2255. ()
- (b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits. ()
- (c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ()
- (d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ()
- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) ()
- (f) Standard Management – Cases that do not fall into any one of the other tracks. (X)

December 30, 2010
Date



Attorney-at-law
William F. McDevitt

APPALACHIAN INS. CO.
Attorney for Plaintiff

215.587.1600
Telephone

215.587.1699
FAX Number

wfmcdevitt@cpmmy.com
E-Mail Address

(Civ. 660) 10/02

DEC 30 2010

7/350

RB

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

APPALACHIAN INSURANCE COMPANY,

Plaintiff,

v.

INSURANCE COMPANY OF NORTH AMERICA,

Defendant.

10 - 7614

CIVIL ACTION NO.

COMPLAINT

Plaintiff, Appalachian Insurance Company ("Appalachian"), and for its Complaint against Defendant, Insurance Company of North America ("INA"), alleges as follows:

PARTIES

- 1. Appalachian is incorporated under the laws of the State of Rhode Island with its principal place of business located at 1301 Atwood Ave., Johnston, Rhode Island 02919.
2. INA is incorporated under the laws of the State of Pennsylvania with its principal place of business located at 436 Walnut St., Philadelphia, Pennsylvania 19106.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(a)(1) because the amount in controversy exceeds \$75,000 exclusive of interest and costs and because there is complete diversity of citizenship in that Appalachian is a Rhode Island corporation with its principal place of business in Rhode Island and INA is a Pennsylvania corporation with its principal place of business in Pennsylvania.

Handwritten mark resembling a stylized 'S' or signature.

4. This Court has personal jurisdiction over INA because it is a Pennsylvania corporation with its principal place of business in Philadelphia, Pennsylvania.

5. Venue is proper in this Court because INA's principal place of business is located in this district and a substantial part of the events giving rise to this action occurred in this district. 28 U.S.C. § 1391(a).

NATURE OF THE ACTION

6. This action arises out of and seeks damages and other relief in connection with INA's breach of a reinsurance contract.

7. In a reinsurance contract, a reinsurer agrees to indemnify the reinsured against all or part of the loss that the reinsured may sustain under an insurance policy or policies that the reinsured company has issued, in exchange for a portion of the premium paid to the reinsured for the insurance policies.

8. A "facultative" reinsurance contract reinsures a specific insurance policy or risk, as opposed to "treaty" reinsurance, which reinsures multiple insurance policies or an entire book of business written by the reinsured.

THE CERTIFICATE OF FACULTATIVE REINSURANCE

9. For the period April 1, 1972 to April 1, 1975, Appalachian entered into a facultative reinsurance contract with INA, Certificate Number FRC 00585 ("Facultative Certificate"), pursuant to which INA agreed to reinsure an excess umbrella liability policy, Number 71074, that Appalachian issued to Union Carbide Corporation ("Union Carbide Policy"). A true and correct copy of the Facultative Certificate is attached hereto as Exhibit A.

10. Under the Facultative Certificate, INA agreed to reimburse Appalachian for certain amounts that Appalachian incurred in connection with the Union Carbide Policy.

11. The Facultative Certificate provided that INA's liability "shall follow that of [Appalachian] and ... shall be subject in all respects to all the terms and conditions of [Appalachian's] policy. . . ." *Id.*, p. 2 at ¶ A.

12. The Facultative Certificate also contains "follow the settlements" language which provides that "[a]ll claims involving this reinsurance, when settled by [Appalachian], shall be binding on [INA]." *Id.*, p. 2 at ¶ C.

**THE UNDERLYING ASBESTOS CLAIMS AND
APPALACHIAN'S LOSS PAYMENTS**

13. After the Facultative Certificate was executed, Union Carbide was named as a defendant in many asbestos products personal injury claims and lawsuits. Union Carbide tendered these claims and lawsuits to its insurers, including Appalachian, for defense and indemnity.

14. Appalachian was named as a party in a lawsuit captioned *Union Carbide Corp. v. Affiliated FM Insurance Co., et al.*, Index No. 600804-04, Supreme Court of the State of New York, County of New York. In that lawsuit, Union Carbide alleged that its insurers, including Appalachian, were obligated to defend and indemnify it in connection with the underlying asbestos claims and lawsuits.

15. On or around September 10, 2008, Appalachian and Union Carbide entered into a confidential settlement agreement resolving Union Carbide's claims asserted in the above-referenced insurance coverage lawsuit. Pursuant to this settlement agreement, Appalachian agreed to make certain payments to Union Carbide, including payments under the Union Carbide Policy. Appalachian's decision to settle Union Carbide's insurance coverage claims was undertaken after a good faith, reasonable, and business-like assessment of Appalachian's duties under the Union Carbide Policy and possible coverage defenses.

APPALACHIAN'S REINSURANCE BILLING TO INA

16. Subsequent to earlier reporting, Appalachian issued a billing, including certain proofs of loss, to INA pursuant to the Facultative Certificate on or around July 29, 2010. These proofs of loss exceed \$2 million.

17. The Facultative Certificate provides that "[p]ayment of its proportion of loss and expense paid by the [Appalachian] will be made by [INA] promptly following receipt of proof of loss." Exhibit A, p. 2 at ¶ D.

18. INA has not paid Appalachian's billings.

**COUNT ONE
Breach of Contract**

19. Appalachian repeats and incorporates herein by reference the allegations contained in the foregoing paragraphs 1-18 as if fully set forth herein.

20. Appalachian has fully performed its obligations under the Facultative Certificate and has properly billed INA for amounts due thereunder.

21. In breach of the Facultative Certificate and in violation of its duty of utmost good faith to Appalachian, INA has refused to pay Appalachian's billings.

22. INA's failure to pay Appalachian's billings have damaged Appalachian.

WHEREFORE, Appalachian demands that judgment be entered in its favor and against INA as follows:

- (a) Awarding Appalachian money damages plus interest with respect to outstanding billings;
- (b) For attorneys' fees, interest and costs of suit; and
- (c) Such other relief the Court deems appropriate.

COUNT TWO
Declaratory Relief

23. Appalachian repeats and incorporates herein by reference the allegations contained in the foregoing paragraphs 1-18 as if fully set forth herein.

24. Under the settlement agreement, Appalachian will make additional future payments to Union Carbide under the Union Carbide Policy. Appalachian anticipates billing appropriate portions of these future payments to INA under the Facultative Certificate.

25. An actual controversy exists with respect to the parties' rights under the Facultative Certificate, including but not limited to, the obligations of INA to pay past, current and future billings in a timely manner.

26. Appalachian is entitled to a declaration of its rights under the Facultative Certificate.

WHEREFORE, Appalachian demands that judgment be entered in its favor and against INA as follows:

- (a) Declaring that INA is obligated to pay past, current and future billings from Appalachian regarding the Union Carbide Policy in a timely manner;
- (b) Awarding Appalachian attorneys' fees, interest and costs of suit; and
- (c) Awarding Appalachian such other relief the Court deems appropriate.

Respectfully submitted,

CHRISTIE, PABARUE, MORTENSEN and
YOUNG, *A Professional Corporation*

By: 

JAMES W. CHRISTIE

jwchristie@cpmy.com

WILLIAM F. McDEVITT

wfmcdevitt@cpmy.com

1880 JFK Boulevard, 10th Floor
Philadelphia, PA 19103
(215) 587-1600

Attorneys for Plaintiff,
Appalachian Insurance Company

DATED: December 30, 2010

Of Counsel

Robert J. Bates, Jr.

Bates Carey Nicolaides LLP

191 N. Wacker Drive, Suite 2400

Chicago, Illinois 60606

(312) 762-3100

EXHIBIT A

00282

INSURANCE COMPANY OF NORTH AMERICA
1000 Arch Street
Philadelphia, Pennsylvania 19101



(herein called the Reinsurer)

In consideration of the payment of the premium, and subject to the terms, conditions and limits of liability set forth herein, and in the Declaration made a part hereof, the Reinsurer reinsure the coding company named in the Declarations (herein called the Company) in respect of the Company's policy as follows:

RECEIVED
OCT 27 2010
M.P.C.
REINSURING AGREEMENTS AND ENDORSEMENTS
1200 Turks Neck Road
Providence, Rhode Island 02904
ATTENTION Mr. Matt Potrangolo

A. The Company warrants to retain for its own account or that of its treaty reinsurer (s) the amount of liability specified in Item 3 of the Declarations, unless otherwise declared to the Reinsurer, and the liability of the Reinsurer specified in Item 4 of said Declarations shall follow that of the Company and except otherwise specifically provided herein, shall be subject in all respects to all the terms and conditions of the Company's policy except such as may purport to create a direct obligation of the Reinsurer to the insured. The Company shall furnish the Reinsurer with a copy of its policy and all endorsements thereto which in any manner affect this certificate, and shall make available for inspection and copies at all times during the term of this certificate.

B. The Reinsurer will be paid or credited by the Company with its proportion of salvage, i.e., reimbursement of recovery made by the Company, less the actual cost (excluding Company losses and expenses) of obtaining such reimbursement or making such recovery. If the reimbursement afforded by this Certificate is on the extent of loss basis, release shall be made available for inspection and copies at all times during the term of this certificate.

C. All claims involving this reinsurance, when settled by the Company, shall be binding on the Reinsurer, which shall be bound to pay its proportion of such settlements, and in addition thereto, in the ratio that the Reinsurer's loss payment bears to the Company's gross loss payment, with respect to business accepted on an excess-of-loss basis and in the ratio that the Reinsurer's limit of liability bears to the Company's gross limit of liability with respect to business accepted on a pro rata basis.

D. Prompt notice shall be given to the Reinsurer by the Company of any occurrence or accident which appears likely to involve this reinsurance and while the Reinsurer does not undertake to investigate or defend claims or suits it shall nevertheless have the right and be given the opportunity to associate with the Company and its representatives at its own expense in the defense and control of any claim, suit or proceeding involving this reinsurance, with the full cooperation of the Company.

E. The Company will be liable for all taxes on premiums ceded to the Reinsurer under this certificate.

F. In the event of insolvency of the Company, the terms of this Certificate are amended to conform to the statute of any state of the United States having jurisdiction to the effect that such reinsurance as is afforded hereunder may be considered by the Company as an admitted asset or deduction from liability, it being understood that subject to such amendment, the Reinsurer may avail itself of any other provision of any such statute applicable in which it is liable.

G. Cancellation of this certificate and if may also be cancelled on a pro rata basis by either party, meaning to the other written notice stating the date of cancellation and the date of the last day of the month in which it shall be from the effective date of the certificate, not less than Thirty (30) days before the effective date.

H. The terms of this Certificate shall not be waived or changed except by the net premium for this certificate shall be the amount shown on the certificate issued to form a part hereof, executed by a duly authorized representative of the Reinsurer.

I. The terms of this Certificate shall not be waived or changed except by the net premium for this certificate shall be the amount shown on the certificate issued to form a part hereof, executed by a duly authorized representative of the Reinsurer.

IN WITNESS WHEREOF, the INSURANCE COMPANY OF NORTH AMERICA has caused this Reinsurance Certificate to be signed by its President and Secretary Treasurer at Phila., Penna. but the same shall not be binding upon the Reinsurer unless countersigned by an authorized representative of the Reinsurer.

MINIMUM PREMIUM FOR REINSURANCE PERIOD: \$2,812.20
AUDIT PERIOD: 02.28.10

02.28.10 : CANADIAN \$ 327.20
U.S.A. \$ 2,485.00
TOTAL PREMIUM \$ 2,812.20

Secretary: [Signature]
President: [Signature]

PLEASE GIVE SPECIAL NOTICE OF THIS FACULTATIVE REINSURANCE TO YOUR CLAIM DEPARTMENT

CERTIFICATE OF FACULTATIVE REINSURANCE ISSUED BY

FRC 00585



INSURANCE COMPANY OF NORTH AMERICA
 1600 Arch Street
 Philadelphia, Pennsylvania 19101

DECLARATIONS

CEDING COMPANY AND ADDRESS

INTERMEDIARY

Appalachian Insurance Company
 c/o New Providence Corporation
 1500 Turks Head Building
 Providence, Rhode Island 02904
 ATTENTION Mr. Mal Poignand

RECEIVED
OCT 27 1972
N. P. C.

NAME OF INSURED Union Carbide Corporation		RENEWAL OF CERTIFICATE NO. FRC
CITY 270 Park Avenue	STATE New York, New York	REPLACES CERTIFICATE NO. FRC
COMPANY POLICY NO. 71074 and 71099		POLICY PERIOD April 1, 1972 to April 1, 1975

ITEM 1 TYPE OF INSURANCE	ITEM 2 POLICY LIMITS AND APPLICATION	ITEM 3 COMPANY RETENTION	ITEM 4 REINSURANCE ACCEPTED	ITEM 5 BASIS OF ACCEPTANCE
Excess Umbrella Liability	\$2,000,000 CSL each occ.-agg. part of \$20,000,000 CSL each occ.-agg. excess of \$20,000,000 CSL Umbrella Liability excluding marine, \$15,000,000 CSL including marine liability, which in turn is excess of underlying insurance and/or \$500,000 SIR.	Nil this layer	\$2,000,000 CSL each occ.-agg. part of \$20,000,000 CSL each occ.-agg.	Contributing Excess

THE TERM OF THIS CERTIFICATE UNLESS TERMINATED BY CANCELLATION, SHALL BE FROM THE

1st DAY OF April, 1972 TO THE 1st DAY OF April, 1975

THE NET PREMIUM FOR THIS CERTIFICATE SHALL BE \$ 5,812.50

FIXED CHARGE DEPOSIT PREMIUM

PREMIUM BASIS	ESTIMATED EXPOSURE	RATE	ESTIMATED PREMIUM
		CANADIAN:	\$ 387.50
		U.S.A.:	5,425.00
			\$ 5,812.50

AUDIT PERIOD	MINIMUM PREMIUM FOR REINSURANCE PERIOD \$5,812.50	MINIMUM PREMIUM FOR CERTIFICATE \$1,000
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COUNTERSIGNED AT Philadelphia, Pennsylvania THE 6th DAY OF September 1972
 INSURANCE COMPANY OF NORTH AMERICA

BY P. R. Varnant
 AUTHORIZED SIGNATURE

Of Counsel

Robert J. Bates, Jr.

Bates Carey Nicolaidis LLP

191 N. Wacker Drive, Suite 2400

Chicago, Illinois 60606

(312) 762-3100

372135