

COMMERCIAL GENERAL LIABILITY COVERAGE

OIL AND GAS LIMITATION ENDORSEMENT (FIXED DEDUCTIBLES)

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases in bold font have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

1. Exclusion 2.16. Professional Services under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** of **SECTION I - COVERAGES** in the Commercial General Liability Max Form is deleted and replaced by the following:

This insurance does not apply to:

2.16. Professional Services

Bodily injury (other than **incidental malpractice injury**), or **property damage** due to the rendering of or the failure to render by you or on your behalf any **professional services** for others, or any error or omission, malpractice or mistake in providing these services.

This exclusion does not apply to:

2.16.1. Any service by a **professional** when the service could also have been lawfully provided by a person who is not a **professional**; or

2.16.2. Any service by an **oilfield consultant** unless such service is customarily provided only by a **professional**.

2. The following additional exclusions are added to **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** of **SECTION I - COVERAGES** in the Commercial General Liability Max Form:

This insurance does not apply:

2.24. Offshore Operations

Bodily injury or **property damage** arising from, caused by or contributed to by **offshore operations**, even if there are other concurrent or consecutive insured causes of the **bodily injury** or **property damage**.

2.25. Underground Property

Property damage to **underground property** including but not limited to:

2.25.1. Impairment to or reduction in the value of the **underground property**;

2.25.2. The increased cost of bringing **underground property** to physical possession at the earth's surface;

2.25.3. Expense incurred to prevent or to minimize **property damage** to **underground property**.

This exclusion shall not apply to **property damage** within the **products-completed operations** hazard if:

2.25.4. No Insured has a legal or equitable interest in the **underground property**; and

2.25.5. The **property damage** does not occur while the **underground property** is being worked on by an Insured.

In regards to each such **occurrence** falling within this exception to the exclusion 2.25., you will pay a deductible in the amount of \$2,500.00 and we will pay **compensatory damages** on your behalf for the amount of **compensatory damages** that is in excess of this deductible.

3. If this insurance applies to **bodily injury** or **property damage** arising from, caused by or contributed to by a **pollutant** (even if there are other concurrent or consecutive insured causes of the **bodily injury** or **property damage**) and provided such **bodily injury** or **property damage** is not excluded in exclusion 4. **POLLUTION** under **COMMON EXCLUSIONS COVERAGES A, B, C and D** of the Commercial General Liability Max Form or any Pollution/Environmental Liability Exclusion endorsement attached to this Policy, then we will pay **compensatory damages** on your behalf for the amount of **compensatory damages** that is in excess of the following deductible amounts:

3.1. In the case of spillage, leakage, discharge or escape of a **pollutant** from a pipeline:

3.1.1. \$50,000.00 plus 10% of all loss, cost or expense exceeding the deductible.

3.2. In any case other than spillage, leakage, discharge or escape of a **pollutant** from a pipeline:

3.2.1. \$5,000.00 for spillage, leakage, discharge or escape of a **pollutant** on to land;

3.2.2. \$25,000.00 for spillage, leakage, discharge or escape of a **pollutant** into any body of water or into the atmosphere, or both, plus 10% of all loss, cost or expense exceeding the deductible.

3.3. If more than one deductible applies to a single **occurrence**, then only the one highest deductible shall apply.

3.4. The terms of the Policy, including those with respect to notice of **occurrence** and our right to investigate, defend, negotiate and settle any claim or **action** apply regardless of the application of a deductible to the claim.

3.5. We may pay any part of or all of the deductible amount to effect settlement of any claim or **action** and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount paid by us.

4. DEFINITIONS

For the purpose of this Endorsement:

- 4.1. **Offshore Operations** means any work or operations upon the surface of (including upon any ice on the surface of), beneath the surface of or in the ground below any body of water or watercourse, including but not limited to fresh or salt water oceans, seas, lakes, sloughs and rivers.

- 4.2. **Oilfield Consultant** means a person who is not a **professional** and whose services do not customarily fall under the review authority of a government authorized self-governing body that is charged with the responsibility of setting education and examination requirements for admission, regulation of conduct and discipline of its members, and who for compensation and by virtue of experience provides services to a person, firm or corporation concerning oil or gas exploration, development, production or servicing.
- 4.3. **Professional** means a member of a government authorized self-governing body charged with the responsibility of setting education and examination requirements for admission, regulation of conduct and discipline of its members.
- 4.4. **Underground Property** means:
- 4.4.1. Any substance, including but not limited to coal, oil, gas, minerals or water (and including any legal or equitable interest therein) that is not in physical possession of an Insured at the earth's surface at the time of any act or omission which causes or contributes to **property damage** to such substance; or
 - 4.4.2. Any well, hole, mine, formation, strata or area beneath the earth's surface in or through which exploration for or production of any substance (including but not limited to coal, oil, gas, minerals or water and including any legal or equitable interest therein) is or will at any time be conducted; or
 - 4.4.3. Any drilling, well servicing or mining machinery or equipment (including but not limited to casings, pipes, bits, tools and pumps) located in any well, hole, mine, formation, strata or area beneath the earth's surface at the time of any act or omission which causes or contributes to **property damage** to such machinery or equipment.
- 4.5. Paragraph **25. Pollutants in SECTION IV – DEFINITIONS** is deleted and replaced with the following:
- 25. Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. For the purpose of this Endorsement, **pollutant** also includes the products used in or generated by oil or gas exploration, development or production (whether processed, partially processed or unprocessed), including but not limited to oil, gas, condensates, saline or drilling fluids. Waste includes materials to be recycled, reconditioned or reclaimed.

All other terms and conditions of the Policy remain unchanged.