

INSURANCE ALLOCATION AGREEMENT

THIS INSURANCE ALLOCATION AGREEMENT (the “Agreement”) is entered into as of February 16, 1998, by and between Dow Corning Corporation on behalf of itself and its present wholly owned subsidiaries (collectively, “Dow Corning”) and The Dow Chemical Company on behalf of itself and its present wholly owned subsidiaries (collectively “Dow Chemical”). Dow Corning and Dow Chemical shall be referred to collectively herein as the “Parties.” Capitalized terms not defined herein shall have the meanings ascribed to them in the Second Amended Plan of Reorganization of Dow Corning Corporation dated February 17, 1998 (the “Plan”).

WHEREAS:

A. Dow Chemical purchased certain excess liability insurance policies between 1955 and 1986 that provide coverage to Dow Chemical and various present and former affiliates, including Dow Corning, for products claims.

B. Dow Corning purchased other insurance policies that provide coverage to Corning, Inc. (“Corning”) and Dow Chemical under certain conditions.

C. Dow Corning and Dow Chemical purchased separate policies from ACE Insurance that may interrelate.

D. Numerous individuals have asserted Breast Implant Claims, Non-Breast Implant Claims, Raw Material Claims and LTCI Claims against Dow Corning. Many of the individuals who have asserted such claims have also asserted claims against Dow Chemical and Corning;

E. Dow Corning is a debtor in possession under Chapter 11 of the United States Bankruptcy Code in Case No. 95-20512 (the “Bankruptcy Case”) pending in the United States Bankruptcy Court for the Eastern District of Michigan (the “Bankruptcy Court”);

F. Dow Corning has sought products coverage for certain claims from the insurance coverage shared with Dow Chemical;

G. Dow Chemical has claims for products coverage under the insurance shared with Dow Corning;

H. Dow Corning has entered into certain settlements with insurers which issued policies included in the shared coverage that required cash payments by the insurers in return for releases of various policy limits and claims under the settled policies (the “Buyout Settlements”). Dow Chemical objected to the Bankruptcy Court’s approval of the Buyout Settlements because, among other things, the settlements contemplated releases of Dow Chemical’s rights without its consent and certain claims against Dow Corning had not yet been paid or reduced to judgment;

I. The Buyout Settlements were approved by the Bankruptcy Court after Dow Corning and Dow Chemical entered into, and the Bankruptcy Court approved, various agreements including the Dow/Dow Corning Insurance Escrow Agreement, dated December 8, 1995 (the “Escrow Agreement”), in which Dow Chemical waived certain objections to Bankruptcy Court approval of the Buyout Settlements while Dow Corning and Dow Chemical reserved their rights to assert their respective claims to the proceeds of the settled policies by placing the funds in various settlement escrows or settlement funds (the “Cash Escrows”);

J. Dow Corning entered into other settlements (the “Coverage in Place Settlements”) with respect to policies under which the relevant insurers agreed with Dow Corning on the manner

in which the terms of the relevant policies would be applied to various claims, particularly Breast Implant Claims, in consideration for Dow Corning's agreement to a reduction of products limits available to Dow Corning for various breast implant claims as defined in the Coverage in Place Settlements;

K. Under the Coverage in Place Settlements, portions of the products limits released by Dow Corning as to breast implant claims as defined in the Coverage in Place Settlements (the "Coverage in Place Discounted Limits") remain fully available to Dow Corning for products claims other than breast implant claims, as defined in the Coverage in Place Settlements, and to Dow Chemical for all products claims, subject to the terms and conditions of the relevant policies and of the Coverage in Place Settlements;

L. Approximately \$290 million in excess policies included in the Shared Insurance Assets are not the subject of any Buyout Settlement or Coverage in Place Settlement (the "Unsettled Shared Insurance"). Both Dow Chemical and Dow Corning continue to have all their respective rights in those policies and are actively pursuing those rights in pending coverage litigation;

M. Pursuant to a separate agreement approved by the Bankruptcy Court, Hoechst Marion Roussel ("HMR") is entitled to payment of a percentage of the proceeds paid by insurers under certain policies (the "HMR Agreement");

N. The Plan establishes (i) a Settlement Trust to pay claimants who opt to settle certain claims and (ii) a Litigation Trust for claims by claimants who opt to litigate certain claims. The Settlement Trust and the Litigation Trust are referred to as the "Trusts." Dow Corning proposes to use proceeds of the Buyout Settlements, Coverage in Place Settlements, and future settlements of Unsettled Shared Insurance to fund the Trusts;

O. The Parties have a substantial legal dispute, based on the potential application of a decision captioned UNR Industries, Inc. v. Continental Casualty Co., 942 F.2d 1101 (7th Cir. 1991), as to whether insurance proceeds from the various settlements and unsettled policies will become available to pay claims on the Confirmation Date or only as actual amounts are paid to specific claimants in connection with claims insured under specific policies;

P. The parties have substantial disputes over a number of other significant issues including, but not limited to, their respective rights to reimbursement for expenses already incurred, the allocation of specific claims to specific policy years, and the meaning and operation of certain provisions of the Cash Escrows.

Q. Under the Cash Escrows and orders of the Bankruptcy Court, disbursement from the Cash Escrows may be delayed until resolution of certain of these disputes and related appeals to the District Court, Court of Appeals and the U. S. Supreme Court.

R. Dow Chemical and Dow Corning wish to resolve their disputes about the insurance assets detailed herein and to establish guidelines for cooperation with respect to pursuit and recovery of various insurance assets in order to facilitate funding of the Plan. To facilitate the consummation of the Plan and in partial consideration of the releases and injunctive protections granted to it under the Plan, Dow Chemical has agreed to this Agreement and its inclusion as part of the Plan.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

1. Scope of Agreement. Unless otherwise specifically stated, the insurance assets covered by this Agreement include only the “Shared Insurance Assets” which shall mean:

- A. The Cash Escrows created as a result of the Buyout Settlements with the insurers listed on Exhibit 1(A). The values of those Cash Escrows as of 12/31/97 are shown in the column entitled “SHARED ASSET - 12/31/97.” The Shared Insurance Assets shall include these amounts as well as future amounts paid by the companies listed on Exhibit 1(A) pursuant to the Buyout Settlements approved by the Bankruptcy Court and any and all interest or other investment income generated (net of applicable taxes, if any, paid or incurred) on those amounts.
- B. The products limits available from the insurers listed on Exhibit 1(B) for Dow Corning breast implant claims as defined under the Coverage in Place Settlements. These limits are listed on Exhibit 1(B) in the column entitled “Limits remaining for DCC SBI Losses” and are also available to Dow Corning and to Dow Chemical for any products claims that may arise under the policies that were the subject of the three Coverage in Place Settlements.
- C. The products limits presently available to both Dow Corning and Dow Chemical under the Unsettled Shared Insurance issued by the insurers listed on Exhibit 1(C). The approximate limits presently available for products claims under these policies are set forth in the column entitled “Shared Remaining Limits” on Exhibit 1(C).

The Shared Insurance Assets do not include:

- A. The settlement funds (and accumulated interest) created by the XL settlement (\$8 million at present and an additional \$32 million in March 1998) and the JU settlement (\$44,925,735) which shall be available 100% to Dow Corning on the Effective Date of the Plan.

- B. The settlement funds (and accumulated interest) created as the result of Dow Corning settlements of primary coverage with Hartford (\$26 million plus accumulated interest) and TIG (\$20,940,000 plus accumulated interest) and of coverage provided by American Guaranty, all of which shall be available 100% to Dow Corning on the Effective Date of the Plan.
- C. \$144,747,872 in Coverage in Place Discounted Limits, which remain in place for Dow Corning for products claims other than certain breast implant claims as defined in the Coverage in Place Settlements and for Dow Chemical for any products claims subject to the policies and Coverage in Place Settlements. These limits, shown in the last column of Exhibit 1(B), shall be available to the Parties consistent with the Coverage in Place Settlements in accordance with the relevant policies and applicable law without reference to Sections 2 through 5 of this Agreement. To the extent required by the Coverage in Place Settlements, Dow Chemical and Dow Corning will utilize available Coverage in Place Discounted Limits before accessing products limits included among the Shared Insurance Assets under the policies subject to Coverage in Place Settlements.
- D. Policies issued by insurers, including insurers in the London Market which participated in Buyout Settlements, to the extent that Dow Corning has released rights to assert certain implant claims or other products claims and Dow Chemical has not. These policies or portions of limits under policies, as described in Exhibit 4, shall remain in place for Dow Chemical. Dow Chemical may continue to assert rights to these limits to the extent it has rights to do so in light of the Buyout Settlements in

accordance with the relevant policies and applicable law without reference to Sections 2 through 5 of this Agreement .

- E. Dow Corning agreed to certain “Clawback” provisions in agreements with certain London Market Insurers, Allstate, and Employer’s Insurance of Wausau. To the extent that any of those insurers exercises those Clawbacks, Dow Corning is required to return to the insurers funds previously paid to it, and limits previously released by Dow Corning settlements are reinstated, those reinstated limits shall not subsequently be included in the Shared Insurance Assets but shall be available to Dow Corning and Dow Chemical in accordance with the relevant policies and applicable law without reference to Sections 2 through 5 of this Agreement.
- F. Coverage provided by domestic and foreign insurers which are or become the subject of insolvency proceedings, which coverage shall be available to both Dow Chemical and Dow Corning in accordance with the relevant policies and applicable law without reference to Sections 2 through 5 of this Agreement. Domestic and foreign insurers which are presently known to be subject to insolvency proceedings and their respective remaining products coverage are listed on Exhibit 2.
- G. Proceeds of Dow Corning’s pre-bankruptcy settlements with CIGNA (\$37.8 million), Devonshire Underwriters Limited (\$13.9 million) and Dorintal (\$1.44 million).
- H. The following, which shall be available to Dow Corning and Dow Chemical in accordance with the relevant policies and applicable law without reference to Sections 2 through 5 of this Agreement:
 - (i) Policies which do not insure both Dow Corning and Dow Chemical;

- (ii) Any coverage other than products coverage;
- (iii) Coverage issued to Dow Chemical and Dow Corning by ACE Insurance; and
- (iv) Any other policies not listed in Exhibit 1.

2. Allocation of Shared Insurance Assets. The Shared Insurance Assets shall be allocated as follows:

- A. Any amounts due HMR shall be deducted from any amount recovered from the Shared Insurance Assets by Dow Corning or Dow Chemical in accordance with the HMR Agreement. All distributions described in the remainder of this Section are net of any distribution to HMR required by the HMR Agreement.
- B. Within 30 days of the Effective Date of the Plan, the amounts in the Cash Escrows (including interest and net of taxes) included among the Shared Insurance Assets shall be paid 50% to the Settlement Trust and 25% to the Litigation Trust. The remaining 25% shall be advanced to Dow Chemical for use in accordance with this Agreement.
- C. Funds received by Dow Corning or Dow Chemical from Unsettled Shared Insurance or from portions of products limits included among the Shared Insurance Assets which are subject to Coverage in Place Settlements shall be distributed, within 30 days of receipt as follows: 50% shall be paid to the Settlement Trust, 25% shall be paid to the Litigation Trust, and 25% shall be advanced to Dow Chemical for use in accordance with the terms of this Agreement.
- D. In the event that \$285 million in payments from the Shared Insurance Assets have been advanced to Dow Chemical, no further amounts shall be advanced to Dow

Chemical pursuant to the Agreement but, until seventeen and one-half years after the Effective Date of the Plan, Dow Corning shall continue to pay 66²/₃% of funds received from the Shared Insurance Assets to the Settlement Trust and 33¹/₃% of funds received from the Shared Insurance Assets to the Litigation Trust and Dow Chemical shall pay 100% of amounts received from the Shared Insurance Assets to Dow Corning which will pay such funds 66²/₃% to the Settlement Trust and 33¹/₃% to the Litigation Trust.

- E. The allocation provisions of this Agreement shall terminate seventeen and one-half years after the Effective Date so that Dow Corning and Dow Chemical shall retain any funds that either may receive from the Shared Insurance Assets seventeen and one-half years or more after the Effective Date.

3. Allocation to Trusts.

- A. If the Settlement Trust receives payment of some or all of a Shared Insurance Asset directly from an insurer and retains more than its allocated share pursuant to Section 2.C. of this Agreement, then, absent a contrary agreement by the Parties, within 30 days, Dow Corning shall pay to the Litigation Trust an amount equal to 50% of the amount retained by the Settlement Trust in excess of its allocable share and shall advance to Dow Chemical an amount equal to 50% of the amount retained by the Settlement Trust in excess of its allocable share. The amount retained by the Settlement Trust shall be deducted from the next Dow Corning payment due to the Settlement Trust under the Plan, and the amount paid by Dow Corning to the

Litigation Trust shall be deducted from the next Dow Corning payment due to the Litigation Trust under the Plan.

- B. If the Litigation Trust receives payment of some or all of a Shared Insurance Asset directly from an insurer and retains more than its allocated share under Section 2.C. of this Agreement, then, absent a contrary agreement by the Parties, within 30 days, Dow Corning shall pay to the Settlement Trust an amount equal to 200% of the amount retained by the Litigation Trust in excess of its allocable share and shall advance to Dow Chemical an amount equal to 100% of the amount retained by the Litigation Trust in excess of its allocable share. The amount retained by the Litigation Trust shall be deducted from the next Dow Corning payment due to the Litigation Trust under the Plan, and the amount paid by Dow Corning to the Settlement Trust shall be deducted from the next Dow Corning payment due to the Settlement Trust under the Plan.
- C. With the exception of the final payment required under Section 5 of the Agreement, to the extent that funds are paid from the Shared Insurance Assets to the Trusts pursuant to this Agreement, such payments shall be deducted from Dow Corning's future obligations to those Trusts pursuant to the Plan.
- D. It is the intent of the Parties that the 75% of the Shared Insurance Assets recovered by Dow Corning and Dow Chemical shall be paid, within 30 days of receipt, 66 2/3% to the Settlement Trust and 33 1/3% to the Litigation Trust. However, to permit additional flexibility in recovering the Shared Insurance Assets and to ensure adequate funding of the Trusts, the Parties expressly reserve the right to vary the two-

thirds/one-third distribution of the Shared Insurance Assets between the Settlement and Litigation Trusts upon the unanimous agreement of Dow Corning, Corning and Dow Chemical.

- E. In the event that money is due to either Trust pursuant to this Agreement and the Trust due to receive payment is no longer in existence or is no longer scheduled to receive any payment from Dow Corning, the funds shall be paid to the remaining Trust, or if the remaining Trust is no longer in existence or is no longer scheduled to receive any future payment from Dow Corning, to Dow Corning.

4. Accounting for the Shared Insurance Assets. Dow Chemical shall have full use of the amounts advanced to it and any actual interest or income earned thereon but shall establish and maintain a nominal account to account for all amounts advanced to it pursuant to the Agreement plus interest specified in Section 4.A.(ii) below (the "Account") as follows:

A. Credits to Account.

- (i) All amounts advanced to Dow Chemical pursuant to this Agreement shall be credited to the Account.
- (ii) The balance in the Account will be deemed to accrue interest at a rate equal to a 90 day LIBOR rate, as defined in Exhibit 5, less the highest marginal federal corporate income tax rate in effect at the time and less a deemed 3% state tax rate, credited monthly on the last day of each month.

B. Debits to Account.

- (1) Dow Chemical may debit the Account as follows:

- (a) for amounts Dow Chemical is unable to recover from Shared Insurance Assets due to any asserted failure to exhaust underlying coverage that is not available to it because of Dow Corning's Buyout Settlements, provided that, if payment of the amount asserted to be unexhausted will permit recovery, then recovery under this subsection shall be limited to that amount.
- (b) to the extent any insurer, including any London Market Insurer, obtains a refund of amounts paid to a Cash Escrow and reinstates some or all of the products limits or coverages released, Dow Corning will repay the applicable insurer as required and Dow Chemical shall, within 30 days of notice of such payment by Dow Corning, pay Dow Corning 25% of the amount repaid and debit the Account in like amount.
- (c) for amounts which Dow Chemical (excluding insurance subsidiaries) has actually paid to defend, settle or pay any judgment, including punitive damages, arising from:
 - (i) any claim arising from exposure to, or use of, prior to December 1, 1987, a product manufactured, sold or distributed by Dow Chemical; and
 - (ii) to the extent not covered by (i), any claim against Dow Chemical based on, related to or arising out of Breast Implant Claims, Non-Breast Implant Claims, Raw Material Breast Implant Claims and LTCI Claims provided there is a final

judicial determination that such claim against Dow Chemical is not covered by general liability insurance for any reason; provided, however, that Dow Chemical may debit the Account pursuant to this subsection (c) only to the extent that all other products insurance listed on Exhibit 3 is inapplicable, exhausted or Otherwise Unavailable. For purposes of this Agreement, "Otherwise Unavailable" shall mean (w) unavailable because of an adverse final judgment in a coverage dispute, (x) the insolvency of an insurer, (y) a release of coverage created by a Dow Corning Buyout Settlement, or (z) a release of coverage created by a Dow Chemical coverage settlement to the extent an amount equal to applicable policy limits has been paid by the settling insurer and/or Dow Chemical. Whether other insurance listed on Exhibit 3 is inapplicable, or is exhausted, or is Otherwise Unavailable shall be determined by any final decision as to particular coverage by a court or arbitration panel in any coverage dispute between Dow Chemical and any of its insurers, by mutual agreement of Dow Corning and Dow Chemical or in accordance with Section 9 of this Agreement.

- C. Dow Chemical shall provide Dow Corning with an annual statement and report of activity in the Account and shall, on reasonable notice, provide Dow Corning access to the books and records related to the Account.

5. Reversion of Advances. Seventeen and one-half years after the Effective Date of the Plan, Dow Chemical shall pay to the Litigation Trust or, if the Litigation Trust is no longer in existence or is no longer scheduled to receive any future payment from Dow Corning, to Dow

Corning, an amount equal to the balance then reflected in the Account. Any such payment to the Litigation Trust shall not be a credit or offset against future Dow Corning payments to the Litigation Trust.

6. ACE. Dow Corning may settle its claims against ACE Insurance for payment of Breast Implant Claims. In the event of such a settlement, Dow Chemical shall release any claim against ACE related to Breast Implant Claims, provided that any such settlement must provide that any payment to Dow Corning by ACE shall not exhaust or impair any limits available to Dow Chemical. 75% of any amount obtained by Dow Corning as a result of any settlement with ACE regarding Breast Implant Claims shall be retained by Dow Corning. The remaining 25% shall be paid to Dow Chemical. Amounts paid to Dow Chemical pursuant to this Section 6 shall not be credited to the Account. The provisions of Sections 2 through 5 shall be inapplicable to any recoveries from ACE.

7. Recoveries.

A. Dow Corning will include provisions in the Plan which provide that:

- (i) Subject to the Buyout Settlements and court orders with respect thereto, Dow Corning and Dow Chemical shall retain all rights either may have to recover from any insurers including those which issued policies included in the Shared Insurance Assets,
- (ii) Dow Corning may assign certain of its rights to the Trusts as appropriate to permit them to collect under Dow Corning's insurance assets;
- (iii) Neither Dow Corning nor the Trusts nor any of the insurers shall have any rights of contribution or subrogation against Dow Chemical or insurance other

than the Shared Insurance Assets on account of any payments from the Shared Insurance Assets;

- (iv) Dow Corning and Dow Chemical have a mutual interest in pursuing recoveries from the Shared Insurance Assets and other available insurance and may exchange information concerning their efforts at insurance recoveries pursuant to a shared privilege without waiving any privilege with respect to any third party; and
- (v) This Agreement is not an insurance policy and does not create or otherwise provide Dow Chemical, Dow Corning, the Litigation Trust or the Settlement Trust with insurance.

B. Dow Corning and Dow Chemical shall each exercise their respective best efforts to recover the Shared Insurance Assets. Recognizing their respective obligations to exercise best efforts to recover the Shared Insurance Assets, Dow Corning or Dow Chemical may, in their reasonable discretion, refrain from pursuing recovery of any Shared Insurance Asset or settle any coverage dispute concerning any Shared Insurance Asset or other insurance. Dow Corning and Dow Chemical each agree, however, to consult with the other concerning decisions not to pursue recovery of a Shared Insurance Asset and decisions to settle coverage disputes concerning a Shared Insurance Asset and, insofar as practicable, to provide each other 10 days advance notice prior to reaching a final agreement in principle or effectuating any such decisions.

C. Dow Corning and Dow Chemical shall meet approximately quarterly to review the status of their respective efforts to maximize recoveries from the Shared Insurance Assets.

8. Dow Chemical Waiver of Objections to UNR Trigger. After the Effective Date of the Plan, Dow Chemical will waive any objection it might otherwise have to payments under the Shared Insurance Assets before actual payments are made to Personal Injury Claimants.

9. Dispute Resolution. Any dispute arising from this Agreement that cannot be resolved by the mutual agreement of Dow Corning and Dow Chemical shall be submitted to confidential arbitration before a panel comprised of an officer or employee of Dow Chemical, an officer or employee of Dow Corning, and a third individual appointed by the first two; within 90 days of their appointment, the arbitrators shall decide the matter based on written and oral submissions of the Parties. The arbitrators shall assume policy issues are determined under Michigan law but shall decide any arbitration in the interests of justice with an eye to commercial reasonableness in light of the intent of the Agreement. Any arbitration under this Section shall be binding and not subject to appeal. This provision shall be the exclusive mechanism for resolving disputes arising from or in connection with this Agreement.

10. Reservation of Rights. Nothing in this Agreement shall prejudice the rights of Dow Corning or Dow Chemical to settle or pursue coverage under any insurance which is not Shared Insurance Assets. The Parties acknowledge and agree, and the Confirmation Order shall provide, that all undertakings and agreements contained in this Agreement shall not be deemed to constitute an admission, omission, concession or statement of position by any Party for any purpose, nor shall such undertakings and agreements or this Agreement itself be deemed to prejudice any party or to

constitute a waiver of any position which any Party hereto might otherwise assert in any other context; provided, however, that nothing in this Section shall be deemed to undermine or modify the promises and undertakings set forth in this Agreement. This Agreement is the jointly drafted result of informed, arm's length negotiations..

11. Conditions to Effectiveness. This Agreement has been negotiated in the context of the proposed Plan of which it is an integral part, is in partial consideration of the releases and injunctive protections granted to Dow Chemical under the Plan and is essential to the Plan's implementation. Absent express written consent of Dow Corning and Dow Chemical, the effectiveness of this Agreement is contingent upon the occurrence of the Effective Date of a Plan in substantially the form of the Plan filed by Dow Corning on February 17, 1998.

12. Recitals. The recitals set forth herein constitute an integral part of this Agreement, evidencing the intent of the Parties in executing this Agreement, and describing the circumstances surrounding its execution. Accordingly, said recitals are by express reference made a part hereof and this Agreement shall be construed in light thereof.

13. Notices. All notices, requests and other communications to any Party hereunder shall be in writing, shall be delivered either in person, by overnight delivery service or by registered or certified mail, and shall be given to the officer of each Party at the address set forth beneath their signature or such other address as such Party may hereafter specify for the purpose of notice to the other Parties hereto.

14. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, including with respect to Dow

Corning (i) a Chapter 11 or Chapter 7 trustee, (ii) a post-confirmation reorganized entity and successor to Dow Corning or its assigns under a confirmed plan of reorganization, or (iii) the Trusts.

15. Headings. The headings herein are inserted for convenience of reference only and shall not affect the construction or interpretation thereof or the obligations of the Parties hereto.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Michigan.

17. Ancillary Documents. The Parties shall execute all documents necessary to implement this Agreement.

18. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

DOW CORNING CORPORATION

By: /s/ **John W. Churchfield**

John W. Churchfield
Vice President of Planning and Finance,
Treasurer and Chief Financial Officer
2200 West Salzburg Road
Midland, Michigan 48686-0994

THE DOW CHEMICAL COMPANY

By: /s/ **J. Pedro Reinhard**

J. Pedro Reinhard
Executive Vice President and
Chief Financial Officer
Dow Center
2030 Building
Midland, MI 48674

Exhibit 1(A)
Insurance Allocation Agreement

Cash Settlements

Insurer	SHARED Settlement Amount	Settlement Paid	HMR Payment	SHARED Principal Earning Interest (net of any HMR Payment	SHARED Interest Earned on Principal Thru 12/31/97	SHARED ASSET - 12/31/97	SHARED Principal Not Yet Received	HMR Payment not yet due
TOTAL	460,627,264	398,977,264	2,772,698	396,204,566	20,146,923	416,351,489	61,650,000	894,755
Algemene	11,250	11,250	0	11,250	543	11,793	0	0
Allstate / Northbrook	40,000,000	0	0	0	0	0	40,000,000	240,000
American Centennial	16,000,000	16,000,000	342,272	15,657,728	752,325	16,410,053	0	0
American Re	4,500,000	4,500,000	0	4,500,000	218,596	4,718,596	0	0
Arab	500,000	500,000	10,000	490,000	24,041	514,041	0	0
Centennial	2,100,000	2,100,000	0	2,100,000	98,121	2,198,121	0	0
Employers Ins of Wausau	13,500,000	6,250,000	150,000	6,100,000	196,867	6,296,867	7,250,000	0
European Companies	7,200,000	7,200,000	0	7,200,000	338,770	7,538,770	0	0
Federal	13,900,000	13,900,000	0	13,900,000	678,449	14,578,449	0	0

Insurer	SHARED Settlement Amount	Settlement Paid	HMR Payment	SHARED Principal Earning Interest (net of any HMR Payment)	SHARED Interest Earned on Principal Thru 12/31/97	SHARED ASSET - 12/31/97	SHARED Principal Not Yet Received	HMR Payment not yet due
Haftpflichtverband Der Deutschen Industrie	2,798,706	2,798,706	69,875	2,755,738	65,878	2,821,616	0	0
Hartford	81,500,000	81,500,000	967,055	80,532,945	6,109,330	86,642,275	0	0
Lloyd's	181,363,178	181,363,178	194,585	181,168,593	8,685,192	189,853,785	0	0
Ludgate	1,000,000	1,000,000	8,436	991,564	48,254	1,039,818	0	0
National Casualty	712,885	712,885	14,260	698,625	34,332	732,957	0	0
Nationale-Nederlanden	421,260	421,260	0	421,260	20,496	441,756	0	0
Pru-Re/Gibraltar	65,500,000	51,100,000	847,031	50,252,969	1,719,639	51,972,608	14,400,000	654,755
Republic	700,000	700,000	17,500	682,500	29,384	711,884	0	0
Royal Belge / Swiss Re / Euro Gen Re	6,394,985	6,394,985	42,968	6,325,110	151,238	6,476,348	0	0
Seguros	1,300,000	1,300,000	16,250	1,283,750	61,695	1,345,445	0	0
Stonewall	5,525,000	5,525,000	17,266	5,507,734	236,311	5,744,045	0	0
Transamerica	3,760,000	3,760,000	75,200	3,684,800	167,404	3,852,204	0	0
Transport	6,700,000	6,700,000	0	6,700,000	325,466	7,025,466	0	0

Insurer	SHARED Settlement Amount	Settlement Paid	HMR Payment	SHARED Principal Earning Interest (net of any HMR Payment)	SHARED Interest Earned on Principal Thru 12/31/97	SHARED ASSET - 12/31/97	SHARED Principal Not Yet Received	HMR Payment not yet due
Unione Italiana Reinsurance Company of America	1,440,000	1,440,000	0	1,440,000	0	1,440,000	0	0
Zurich	3,800,000	3,800,000	0	3,800,000	184,592	3,984,592	0	0

Exhibit 1(B)
Insurance Allocation Agreement

Coverage in Place

Insurer	Shared Original Limits	Shared Remaining Limits	Limits remaining for DCC SBI Losses	HMR potential Payment - DCC SBI	Shared Insurance Asset(net HMR payments)	Limits remaining for TDCC PL/ DCC OPL Losses	HMR potential Payment - TDCC/DCC	Shared Insurance Asset (net HMR payments)	Discounted Limits (net HMR payments)
TOTAL	634,499,988	626,009,721	479,785,260	4,506,192	475,279,068	626,009,721	5,982,781	620,026,940	144,747,872
Aetna	226,600,000	222,665,569	185,925,750	1,481,459	184,444,291	222,665,569	1,785,386	220,880,183	36,435,892
Royal	7,000,000	7,000,000	6,510,000	0	6,510,000	7,000,000	0	7,000,000	490,000
AIG	400,899,988	396,344,152	287,349,510	3,024,733	284,324,777	396,344,152	4,197,395	392,146,757	107,821,980

Exhibit 1(C)
Insurance Allocation Agreement

Unsettled Policies

Insurer	Shared Original Limits	Shared Remaining Limits	HMR potential Payment - DCC SBI	Shared Remaining Limits(after HMR Payments)
TOTAL	311,061,700	293,539,595	2,525,000	291,014,595
Allianz Versicherungs AG	3,500,000	3,500,000	50,000	3,450,000
American Bankers Insurance Company	4,500,000	4,500,000		4,500,000
American Manufacturers Mutual Insurance Company	3,000,000	3,000,000		3,000,000
Argonaut Insurance Company	9,000,000	9,000,000		9,000,000
Associated International Insurance Company	5,000,000	5,000,000		5,000,000
Boston Old Colony Insurance Company	7,250,000	7,250,000		7,250,000
Continental Casualty Insurance Company	10,500,000	10,500,000		10,500,000
Employers Mutual Casualty Company	9,000,000	14,500,000	75,000	14,425,000
Harbor Insurance Company	4,500,000	4,500,000	112,500	4,387,500
Highlands Insurance Company	10,250,000	9,430,000		9,430,000
Home Insurance Company	67,661,700	61,573,200		61,573,200
International Insurance Company	1,000,000	1,000,000		1,000,000
International Surplus Lines Insurance Company	33,000,000	24,373,061		24,373,061
Interstate Fire and Casualty Company	3,000,000	2,763,334		2,763,334

Insurer	Shared Original Limits	Shared Remaining Limits	HMR potential Payment - DCC SBI	Shared Remaining Limits(after HMR Payments)
Lumbermans Mutual Casualty Insurance Company	4,000,000	4,000,000		4,000,000
Manhattan Fire & Marine Insurance Company	10,000,000	10,000,000		10,000,000
National Indemnity Company	23,750,000	18,750,000	343,750	18,406,250
Peerless Insurance Company	2,000,000	2,000,000		2,000,000
Puritan Insurance Company	5,000,000	5,000,000		5,000,000
Safety Mutual Casualty Corporation	9,150,000	9,150,000		9,150,000
Timber	80,000,000	77,750,000	1,943,750	75,806,250
Unigard Mutual Insurance Company	6,000,000	6,000,000		6,000,000

Exhibit 2
Insurance Allocation Agreement

Insolvent Insurers

Insurer	Shared Original Limits	Shared Remaining Limits	HMR potential Payment - DCC SBI	Shared Remaining Limits (after HMR Payments)
TOTAL	432,750,603	413,905,321	0	413,905,321
Bercanus Insurance Company, Ltd.	2,000,000	2,000,000		2,000,000
Canadian Universal Insurance Company, Limited	2,000,000	2,000,000		2,000,000
Centaur Insurance Company	22,500,000	22,500,000		22,500,000
Colonial Assurance Company	3,450,000	2,553,052		2,553,052
Ideal Mutual Insurance Company	15,500,000	15,500,000		15,500,000
Insurance Company of Florida	1,000,000	1,000,000		1,000,000
Insurance Exchange of the Americas Inc.	500,000	500,000		500,000
Integrity Insurance Company	26,000,000	25,448,350		25,448,350
Midland Insurance Company	122,250,000	114,952,230		114,952,230
Mission Insurance Company	63,375,000	60,776,407		60,776,407
Mission National Insurance Company	6,000,000	6,000,000		6,000,000
Mutual Fire, Marine & Inland Insurance Company	3,000,000	2,116,217		2,116,217
Pine Top Insurance Company	25,000,000	25,000,000		25,000,000
Reserve Insurance Company	1,000,000	1,000,000		1,000,000
Southern American Insurance Company	2,000,000	2,000,000		2,000,000
Transit Casualty Company	25,000,000	25,000,000		25,000,000
St. Helens Insurance Company	2,460,000	2,460,000		2,460,000
British Northwestern	996,600	996,600		996,600
Agricola de Seguros	391,300	350,597		350,597
Hafez	134,971	134,971		134,971
Bermuda Fire & Marine (per Bermuda London)	5,484,841	5,228,808		5,228,808

Insurer	Shared Original Limits	Shared Remaining Limits	HMR potential Payment - DCC SBI	Shared Remaining Limits (after HMR Payments)
Belefonte Insurance Company	1,542,787	876,682		876,682
British National Insurance Company, Ltd	1,935,500	1,935,500		1,935,500
British National Insurance Company, Ltd	1,202,400	1,087,074		1,087,074
North Atlantic Insurance Company, Ltd	1,039,815	1,039,815		1,039,815
North Atlantic Insurance Company, Ltd	2,142,131	1,997,260		1,997,260
Brittany (per Bermuda London Underwriting)	1,333,120	1,333,120		1,333,120
English & American Slater Walker	17,129,272	16,980,692		16,980,692
Dart	76,440	35,693		35,693
El Paso Insurance Company Limited	7,491,393	7,029,698		7,029,698
Louisville	3,841,123	3,635,745		3,635,745
Mutual Reinsurance Company Limited	3,047,022	2,888,006		2,888,006
Walbrook Insurance Company Limited	6,010,585	5,129,155		5,129,155
Bryanston	14,176,676	12,285,386		12,285,386
Bermuda Fire & Marine (per HS Weavers)	708,332	575,819		575,819
London & Overseas	4,419,455	3,670,932		3,670,932
Orion	8,869,100	8,754,520		8,754,520
Orion O/OR15	1,182,400	1,182,400		1,182,400
Orion T	574,040	559,760		559,760
Pine Top (UK)	16,524,900	16,245,870		16,245,870
Southern American Insurance Co. (London)	210,143	113,262		113,262
Andrew Weir	227,757	141,355		141,355
Yuval	8,976,460	8,872,986		8,872,986
	47,040	17,359		17,359

Exhibit 3
Insurance Allocation Agreement

The Dow Chemical Company Insurance

Insurer	Type	Policy Number	Effective Date	Expiration Date	Limit	Underlying
Indemnity Insurance Co. of North America	Primary	RPL303	6/1/42	6/1/43	500,000	0
Indemnity Insurance Co. of North America	Primary	RPL314	6/1/43	6/1/44	500,000	0
Indemnity Insurance Co. of North America	Primary	RPL330	6/1/44	6/1/45	500,000	0
Indemnity Insurance Co. of North America	Primary	RPL340	6/1/45	6/1/46	1,000,000	0
Indemnity Insurance Co. of North America	Primary	RPL357	6/1/46	6/1/47	2,000,000	0
Indemnity Insurance Co. of North America	Primary	RPL361	6/1/47	6/1/48	2,000,000	0
American Guarantee & Liability Insurance Co.	Primary	CG436262	3/28/49	3/28/50	50,000	0
Zurich General Accident & Liability Ins. Co. Ltd	Primary	CG485425	3/28/49	3/28/50	450,000	50,000
Travelers Indemnity	Primary	RSL1116301	3/28/50	3/28/51	2,000,000	0
Travelers Indemnity	Primary	RSL1116306	3/28/51	3/28/52	2,000,000	0
Travelers Indemnity	Primary	RSL1116307	3/28/52	3/28/53	2,000,000	0
Travelers Indemnity	Primary	RSL2889910,11	3/28/53	3/28/54	2,000,000	0
Associated Indemnity Corp	Primary	X424051	11/19/56	6/1/57	2,500,000	0
Associated Indemnity Corp	Primary	X424053	6/1/57	6/1/58	2,500,000	0
Associated Indemnity Corp	Primary	X424053	6/1/58	6/1/59	2,500,000	0
Associated Indemnity Corp	Primary	X424053	6/1/59	6/1/60	2,500,000	0
Associated Indemnity Corp	Primary	X424154	6/1/60	6/1/61	2,500,000	0
Associated Indemnity Corp	Primary	X424154	6/1/61	6/1/62	2,500,000	0
Associated Indemnity Corp	Primary	X424154	6/1/62	12/20/62	2,500,000	0
Associated Indemnity Corp	Primary	X424154	12/20/62	1/1/64	2,500,000	0
Associated Indemnity Corp	Primary	X424071	1/1/64	1/1/65	2,500,000	0
Associated Indemnity Corp	Primary	X424071	1/1/65	1/1/66	2,500,000	0
Associated Indemnity Corp	Primary	X424071	1/1/66	1/1/67	2,500,000	0
Associated Indemnity Corp	Primary	X424071	1/1/67	1/1/68	2,500,000	0

Insurer	Type	Policy Number	Effective Date	Expiration Date	Limit	Underlying
Associated Indemnity Corp	Primary	X424071	1/1/68	1/1/69	2,500,000	0
Associated Indemnity Corp	Primary	X424071	1/1/69	7/30/70	2,500,000	0
Associated Indemnity Corp	Primary	LP1301920	7/30/70	1/1/71	2,500,000	0
Associated Indemnity Corp	Primary	LP1301920	1/1/71	1/1/72	2,500,000	0
Associated Indemnity Corp	Primary	LP1301920	1/1/72	1/1/73	2,500,000	0
Associated Indemnity Corp	Primary	LP1301920	1/1/73	1/1/74	2,500,000	0
American Insurance Co.	Primary	LP2075500	1/1/74	1/1/75	2,500,000	0
Granite State Insurance Company	Primary	80-70450	1/1/74	1/1/75	150,000	
American Insurance Co.	Primary	LP2075500	1/1/75	1/1/76	2,500,000	0
Granite State Insurance Company	Primary	80-70450	1/1/75	1/1/76	150,000	
American Insurance Co.	Primary	LP2075500	1/1/76	4/1/76	2,500,000	0
Granite State Insurance Company	Primary	80-70450	1/1/76	1/1/77	150,000	0
Aetna Casualty and Surety Company	Primary	65AL212505SRA	4/1/76	4/1/77	2,500,000	0
Aetna Casualty and Surety Company	Primary	65XS1902SCA	4/1/76	4/1/77	100,000	2,400,000
Granite State Insurance Company	Primary	99-50616	1/1/77	1/1/78	150,000	0
Aetna Casualty and Surety Company	Primary	65AL212513SRA	4/1/77	4/1/78	2,500,000	0
Dorinco Reinsurance Co.	Primary	5001	4/1/77	4/1/78	3,400,000	0
Aetna Casualty and Surety Company	Primary	65XS1904SCA	4/1/77	4/1/78	100,000	3,400,000
Granite State Insurance Company	Primary	99-50616	1/1/78	1/1/79	150,000	0
Aetna Casualty and Surety Company	Primary	65AL212523SRA	4/1/78	4/1/79	5,000,000	0
Dorinco Reinsurance Co.	Primary	50011	4/1/78	4/1/79	4,000,000	0
Aetna Casualty and Surety Company	Primary	65XS1913SCA	4/1/78	4/1/79	1,000,000	4,000,000
Granite State Insurance Company	Primary	99-50616	1/1/79	1/1/80	250,000	0
Aetna Casualty and Surety Company	Primary	65AL212525SRA	4/1/79	4/1/80	5,000,000	0
Dorinco Reinsurance Co.	Primary	50014	4/1/79	4/1/80	4,000,000	0
Aetna Casualty and Surety Company	Primary	65XS1918SCA	4/1/79	4/1/80	1,000,000	4,000,000
Insurance Company of the State of Pennsylvania	Primary	99-50686	1/1/80	1/1/81	5,000,000	0
Aetna Casualty and Surety Company	Primary	65AL212537SRA	4/1/80	4/1/81	5,000,000	0
Dorinco Reinsurance Co.	Primary	50023	4/1/80	4/1/81	4,000,000	0

Insurer	Type	Policy Number	Effective Date	Expiration Date	Limit	Underlying
Aetna Casualty and Surety Company	Primary	65XS2527SCA	4/1/80	4/1/81	1,000,000	4,000,000
Insurance Company of the State of Pennsylvania	Primary	99-50686	1/1/81	1/1/82	5,000,000	0
Aetna Casualty and Surety Company	Primary	65AL212546SRA	4/1/81	4/1/82	5,000,000	0
Dorinco Reinsurance Co.	Primary	50031	4/1/81	4/1/82	4,000,000	0
Aetna Casualty and Surety Company	Primary	65XS2533SCA	4/1/81	4/1/82	1,000,000	4,000,000
Insurance Company of the State of Pennsylvania	Primary	99-50686	1/1/82	1/1/83	5,000,000	0
Aetna Casualty and Surety Company	Primary	65AL320004SRA	4/1/82	4/1/83	5,000,000	0
Dorinco Reinsurance Co.	Primary	50036	4/1/82	12/1/82	5,000,000	0
Dorinco Reinsurance Co.	Primary	50041	12/1/82	12/1/83	5,000,000	0
Insurance Company of the State of Pennsylvania	Primary	99-50970	1/1/83	1/1/84	5,000,000	0
Aetna Casualty and Surety Company	Primary	65AL320012SRA	4/1/83	4/1/84	5,000,000	0
Dorinco Reinsurance Co.	Primary	50049	12/1/83	12/1/84	5,000,000	0
Insurance Company of the State of Pennsylvania	Primary	99-51013	1/1/84	1/1/85	5,000,000	0
Aetna Casualty and Surety Company	Primary	65AL320020SRA	4/1/84	4/1/85	5,000,000	0
Dorinco Reinsurance Co.	Primary	50053	12/1/84	12/1/85	5,000,000	0
Insurance Company of the State of Pennsylvania	Primary	99-51036	1/1/85	1/1/86	5,000,000	0
Aetna Casualty and Surety Company	Primary	65AL320025SRA	4/1/85	4/1/86	5,000,000	0
Dorinco Reinsurance Co.	Primary	50059	12/1/85	12/1/86	5,000,000	0
ACE Insurance Co. Ltd.	Excess	DOW-400	12/1/85	12/1/86	100,000,000	100,000,000
Insurance Company of the State of Pennsylvania	Primary	99-51077	1/1/86	1/1/87	5,000,000	0
X.L. Insurance Company	Excess	GO30SBA	1/1/86	12/1/86	50,000,000	50,000,000
Aetna Casualty and Surety Company	Primary	65AL320034SRA	4/1/86	4/1/87	5,000,000	0
Dorinco Reinsurance Co.	Primary	50071	12/1/86	12/1/87	5,000,000	0
X.L. Insurance Company	Excess	GO30SBA	12/1/86	12/1/87	50,000,000	50,000,000
ACE Insurance Co. Ltd.	Excess	DOW-400	12/1/86	12/1/87	100,000,000	100,000,000

Insurer	Type	Policy Number	Effective Date	Expiration Date	Limit	Underlying
Insurance Company of the State of Pennsylvania	Primary	99-51130	1/1/87	4/1/88	5,000,000	0
Insurance Company of North America	Primary	CFG G06634734 /BCF 771597	4/1/87	4/1/88	5,000,000	0

Exhibit 4(A)
Insurance Allocation Agreement

Remaining Limits From Cash Buyouts
Cigna Policies

Policy No	Eff Date	Limits	Incurred Loss	Limits Available for TDCC PL/DCC other than Implant PL
XCP3742	11-Jun-71	\$100,000.00	\$100,000.00	\$0.00
ZCX000502	11-Jun-71	\$500,000.00	\$437,898.00	\$62,102.00
ZCX000686	11-Jun-72	\$500,000.00	\$500,000.00	\$0.00
XCP3830	11-Jun-72	\$8,500,000.00	\$7,087,000.00	\$1,413,000.00
UL946639(ex000505)	11-Jun-72	\$1,000,000.00	\$0.00	\$0.00
ZCX000686	11-Jun-73	\$500,000.00	\$464,149.00	\$35,851.00
XCP3830	11-Jun-73	\$8,500,000.00	\$8,500,000.00	\$0.00
UL946639	11-Jun-73	\$1,000,000.00	\$1,000,000.00	\$0.00
ZCX000686	11-Jun-74	\$500,000.00	\$497,873.00	\$2,127.00
XCP3830	11-Jun-74	\$8,500,000.00	\$8,500,000.00	\$0.00
UL946639	11-Jun-74	\$1,000,000.00	\$1,000,000.00	\$0.00
CNX160655	11-Jun-75	\$1,000,000.00	\$0.00	\$0.00
ZCX001339	11-Jun-75	\$500,000.00	\$500,000.00	\$0.00
XCP12332	11-Jun-75	\$2,000,000.00	\$2,000,000.00	\$0.00
CNX160655	11-Jun-76	\$1,000,000.00	\$0.00	\$1,000,000.00
ZCX003669	11-Jun-79	\$5,000,000.00	\$5,000,000.00	\$0.00
ZCX004097	11-Jun-80	\$5,000,000.00	\$5,000,000.00	\$0.00
ZCX004107	11-Jun-80	\$2,500,000.00	\$2,009,000.00	\$491,000.00
CNZ142354	11-Jun-81	\$3,000,000.00	\$3,000,000.00	\$0.00
CNZ142355	11-Jun-81	\$7,000,000.00	\$0.00	\$7,000,000.00
ZCX004303	11-Jun-81	\$6,500,000.00	\$6,500,000.00	\$0.00
ZCX004502	11-Jun-81	\$2,500,000.00	\$2,500,000.00	\$0.00
ZCX006255	11-Jun-82	\$11,000,000.00	\$0.00	\$11,000,000.00
ZCX006256	11-Jun-82	\$6,000,000.00	\$0.00	\$6,000,000.00
ZCX006424	1-Dec-82	\$11,000,000.00	\$11,000,000.00	\$0.00
ZCX006430	1-Dec-82	\$6,000,000.00	\$6,000,000.00	\$0.00
XCP145422	1-Dec-83	\$2,000,000.00	\$2,000,000.00	\$0.00
XCP145422	1-Dec-83	\$4,000,000.00	\$4,000,000.00	\$0.00
ZCX006759	1-Dec-83	\$3,000,000.00	\$3,000,000.00	\$0.00
XCP145422	1-Dec-83	\$10,500,000.00	\$10,500,000.00	\$0.00
XCP145422	1-Dec-83	\$5,500,000.00	\$5,500,000.00	\$0.00
ZCX006760	1-Dec-83	\$2,000,000.00	\$946,692.00	\$1,053,308.00
EX021031	1-Dec-83	\$5,000,000.00	\$2,366,731.00	\$2,633,269.00
XMO017205	1-Dec-84	\$1,000,000.00	\$1,000,000.00	\$0.00
XCC012292	1-Dec-84	\$1,000,000.00	\$1,000,000.00	\$0.00
XCP145442	1-Dec-84	\$5,725,000.00	\$5,725,000.00	\$0.00
XCP145442	1-Dec-84	\$5,000,000.00	\$5,000,000.00	\$0.00
XCP145442	1-Dec-84	\$5,000,000.00	\$5,000,000.00	\$0.00
XCP145442	1-Dec-84	\$7,000,000.00	\$7,000,000.00	\$0.00
		<u>\$157,325,000.00</u>	<u>\$124,634,343.00</u>	<u>\$30,690,657.00</u>

Exhibit 4(B)
Insurance Allocation Agreement

Remaining Limits From Cash Buyouts
Hartford Policies

Policy No	Eff Date	Limits	Incurred Loss	Limits Available for TDCC PL/DCC other than Implant PL
920299	11-Jun-71	\$6,000,000.00	\$6,000,000.00	\$0.00
920526	11-Jun-72	\$8,000,000.00	\$8,000,000.00	\$0.00
920537	11-Jun-72	\$1,300,000.00	\$0.00	\$1,300,000.00
920526	11-Jun-73	\$8,000,000.00	\$8,000,000.00	\$0.00
920537	11-Jun-73	\$1,300,000.00	\$1,300,000.00	\$0.00
920526	11-Jun-74	\$8,000,000.00	\$8,000,000.00	\$0.00
920537	11-Jun-74	\$1,300,000.00	\$1,300,000.00	\$0.00
921918	11-Jun-75	\$3,000,000.00	\$3,000,000.00	\$0.00
921919	11-Jun-75	\$1,000,000.00	\$1,000,000.00	\$0.00
921920	11-Jun-75	\$1,300,000.00	\$1,300,000.00	\$0.00
35XS100278	11-Jun-77	\$5,000,000.00	\$5,000,000.00	\$0.00
35XS100379	11-Jun-78	\$5,000,000.00	\$5,000,000.00	\$0.00
EL10423	11-Jun-80	\$5,000,000.00	\$5,000,000.00	\$0.00
928133	11-Jun-80	\$5,000,000.00	\$4,612,297.00	\$387,703.00
931553	11-Jun-81	\$2,000,000.00	\$2,000,000.00	\$0.00
TXX111051	11-Jun-81	\$2,500,000.00	\$2,500,000.00	\$0.00
EL11676	11-Jun-81	\$5,000,000.00	\$5,000,000.00	\$0.00
931554	11-Jun-81	\$5,000,000.00	\$5,000,000.00	\$0.00
TXX111051	6-Nov-81	\$3,000,000.00	\$3,000,000.00	\$0.00
933169	11-Jun-82	\$2,000,000.00	\$839,601.00	\$1,160,399.00
933170	11-Jun-82	\$5,000,000.00	\$0.00	\$5,000,000.00
934957	1-Dec-82	\$4,750,000.00	\$4,750,000.00	\$0.00
TXS100087	1-Dec-82	\$6,000,000.00	\$6,000,000.00	\$0.00
TXS100087	1-Dec-82	\$6,500,000.00	\$6,500,000.00	\$0.00
TXS100087	1-Dec-82	\$2,000,000.00	\$2,000,000.00	\$0.00
TXS100087	1-Dec-82	\$2,000,000.00	\$2,000,000.00	\$0.00
934956	1-Dec-82	\$5,000,000.00	\$5,000,000.00	\$0.00
EU000607	1-Dec-83	\$2,000,000.00	\$2,000,000.00	\$0.00
RED102473	1-Dec-83	\$5,000,000.00	\$5,000,000.00	\$0.00
EU000586	1-Dec-83	\$5,000,000.00	\$5,000,000.00	\$0.00
RED102474	1-Dec-83	\$5,000,000.00	\$5,000,000.00	\$0.00
TXS101910	1-Dec-83	\$4,000,000.00	\$4,000,000.00	\$0.00
EU000587	1-Dec-83	\$3,750,000.00	\$3,750,000.00	\$0.00
TXS101910	1-Dec-83	\$3,500,000.00	\$3,500,000.00	\$0.00
TXS101910	1-Dec-83	\$2,000,000.00	\$2,000,000.00	\$0.00
TXS101910	1-Dec-83	\$1,000,000.00	\$536,147.00	\$463,853.00
10XS103195	1-Dec-83	\$5,000,000.00	\$0.00	\$5,000,000.00
EU000607	1-Dec-84	\$2,000,000.00	\$2,000,000.00	\$0.00
TXS102474	1-Dec-84	\$500,000.00	\$500,000.00	\$0.00
TXS102474	1-Dec-84	\$1,500,000.00	\$1,500,000.00	\$0.00
EU000659	1-Dec-84	\$5,000,000.00	\$5,000,000.00	\$0.00
		<u>\$155,200,000.00</u>	<u>\$141,888,045.00</u>	<u>\$13,311,955.00</u>

Exhibit 4(C)
Insurance Allocation Agreement

Remaining Limits From Cash Buyouts
London Market Policies

Policy No	Eff Date	Limits	Incurred Loss Dow Related	Limits Available for TDCC PL	Incurred Loss DCC Related	Limits Available for DCC other than Implant PL
CK3134	31-May-58	\$250,000	\$0	\$250,000	\$0	\$250,000
CK3135	31-May-58	\$750,000	\$0	\$750,000	\$0	\$750,000
K52403	31-May-58	\$2,000,000	\$0	\$2,000,000	\$0	\$2,000,000
K52404	31-May-58	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
K52405	31-May-58	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
K52726	31-May-58	\$5,500,000	\$0	\$5,500,000	\$0	\$5,500,000
CK3134	31-May-59	\$250,000	\$0	\$250,000	\$0	\$250,000
CK3135	31-May-59	\$750,000	\$0	\$750,000	\$0	\$750,000
K52403	31-May-59	\$2,000,000	\$0	\$2,000,000	\$0	\$2,000,000
K52404	31-May-59	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
K52405	31-May-59	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
K52726	31-May-59	\$5,500,000	\$0	\$5,500,000	\$0	\$5,500,000
CK3134	31-May-60	\$250,000	\$0	\$250,000	\$0	\$250,000
CK5135	31-May-60	\$750,000	\$0	\$750,000	\$0	\$750,000
K52403	31-May-60	\$2,000,000	\$0	\$2,000,000	\$0	\$2,000,000
K52404	31-May-60	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
K52405	31-May-60	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
K52726	31-May-60	\$5,500,000	\$0	\$5,500,000	\$0	\$5,500,000
CNL87223	31-May-61	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
CNL87215	31-May-61	\$2,000,000	\$0	\$2,000,000	\$0	\$2,000,000
CNL87216	31-May-61	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
CNL87217	31-May-61	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
CNL87218	31-May-61	\$5,500,000	\$0	\$5,500,000	\$0	\$5,500,000
CNL87219	31-May-61	\$2,000,000	\$0	\$2,000,000	\$0	\$2,000,000
CNL87223	31-May-62	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
CNL87215	31-May-62	\$2,000,000	\$0	\$2,000,000	\$0	\$2,000,000
CNL87216	31-May-62	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
CNL87217	31-May-62	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
CNL87218	31-May-62	\$5,500,000	\$0	\$5,500,000	\$0	\$5,500,000
CNL87219	31-May-62	\$2,000,000	\$0	\$2,000,000	\$0	\$2,000,000
CNL1918	20-Dec-62	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
CNL1919	20-Dec-62	\$4,000,000	\$0	\$4,000,000	\$0	\$4,000,000
CNL1920	20-Dec-62	\$10,500,000	\$0	\$10,500,000	\$0	\$10,500,000
CNL1918	20-Dec-63	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
CNL1919	20-Dec-63	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$0
CNL1920	20-Dec-63	\$10,500,000	\$0	\$10,500,000	\$0	\$10,500,000
K10965(A)	11-Feb-65	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
560CU5511(A)	11-Feb-65	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$0
560CU5512(A)	11-Feb-65	\$20,000,000	\$0	\$20,000,000	\$0	\$20,000,000
K10966	11-Feb-65	\$20,500,000	\$0	\$20,500,000	\$0	\$20,500,000
K10965	11-Feb-66	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
CU5511	11-Feb-66	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$0

Policy No	Eff Date	Limits	Incurred Loss Dow Related	Limits Available for TDCC PL	Incurred Loss DCC Related	Limits Available for DCC other than Implant PL
CU5512	11-Feb-66	\$20,000,000	\$10,000,000	\$10,000,000	\$20,000,000	\$0
K10966(B)	11-Feb-66	\$20,500,000	\$0	\$20,500,000	\$0	\$20,500,000
K10965(C)	11-Feb-67	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
CU5511	11-Feb-67	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$0
CU5512	11-Feb-67	\$20,000,000	\$10,000,000	\$10,000,000	\$20,000,000	\$0
K10966	11-Feb-67	\$20,500,000	\$0	\$20,500,000	\$0	\$20,500,000
CU10086	11-Mar-68	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
CU10087	11-Mar-68	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$0
CU10088	11-Mar-68	\$30,000,000	\$15,000,000	\$15,000,000	\$30,000,000	\$0
K19755,19756(A)	11-Mar-68	\$10,500,000	\$0	\$10,500,000	\$0	\$10,500,000
CU10088(C)	11-Mar-69	\$885,000	\$442,500	\$442,500	\$885,000	\$0
K19755,19756	11-Mar-69	\$999,600	\$0	\$999,600	\$0	\$999,600
CU10086	11-Mar-69	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
CU10087	11-Mar-69	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$0
CU10088(B)	11-Mar-69	\$29,115,000	\$14,557,500	\$14,557,500	\$29,115,000	\$0
K19755,19756	11-Mar-69	\$9,500,400	\$0	\$9,500,400	\$0	\$9,500,400
CU10086	11-Mar-70	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
K19755,19756	11-Mar-70	\$8,607,900	\$0	\$8,607,900	\$0	\$8,607,900
CU10088	11-Mar-70	\$14,115,000	\$14,115,000	\$0	\$14,115,000	\$0
CU10087	11-Mar-70	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$0
CU10088	11-Mar-70	\$15,000,000	\$15,000,000	\$0	\$15,000,000	\$0
K24288	11-Jun-71	\$3,500,000	\$3,500,000	\$0	\$3,500,000	\$0
CX4041	11-Jun-71	\$11,250,000	\$11,250,000	\$0	\$11,250,000	\$0
K25298	11-Jun-72	\$8,000,000	\$8,000,000	\$0	\$8,000,000	\$0
K25299	11-Jun-72	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$0
K25298	11-Jun-73	\$8,000,000	\$8,000,000	\$0	\$8,000,000	\$0
K25299	11-Jun-73	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$0
K25298	11-Jun-74	\$8,000,000	\$8,000,000	\$0	\$8,000,000	\$0
K25299	11-Jun-74	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$0
881/UFL0882	21-Jun-74	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
881/UGL0519	11-Jun-75	\$6,000,000	\$6,000,000	\$0	\$6,000,000	\$0
UGL0579	11-Jun-75	\$300,000	\$300,000	\$0	\$300,000	\$0
UGL0520	11-Jun-75	\$3,700,000	\$3,700,000	\$0	\$3,700,000	\$0
881/UGL1005	11-Jun-75	\$5,500,000	\$5,500,000	\$0	\$5,500,000	\$0
881/UGL0578	11-Jun-75	\$2,445,000	\$0	\$2,445,000	\$0	\$2,445,000
881/UGL0519	11-Jun-76	\$6,000,000	\$6,000,000	\$0	\$6,000,000	\$0
UHL1545	11-Jun-76	\$232,500	\$232,500	\$0	\$232,500	\$0
UGL0520	11-Jun-76	\$3,700,000	\$3,700,000	\$0	\$3,700,000	\$0
UHL1544	11-Jun-76	\$67,500	\$67,500	\$0	\$67,500	\$0
881/UGL1005	11-Jun-76	\$5,500,000	\$5,500,000	\$0	\$5,500,000	\$0
881/UGL0578	11-Jun-76	\$2,445,000	\$0	\$2,445,000	\$0	\$2,445,000
UHL1546	2-Oct-76	\$840,000	\$840,000	\$0	\$840,000	\$0
881/UHL1547	15-Dec-76	\$160,000	\$160,000	\$0	\$160,000	\$0
881/UHL1547	11-Jun-77	\$160,000	\$160,000	\$0	\$160,000	\$0
2/0035FC/R	11-Jun-77	\$500,000	\$500,000	\$0	\$500,000	\$0
UHL1546	11-Jun-77	\$840,000	\$840,000	\$0	\$840,000	\$0
881/UGL0519	11-Jun-77	\$6,000,000	\$6,000,000	\$0	\$6,000,000	\$0
881/UJL1125	11-Jun-77	\$450,000	\$450,000	\$0	\$450,000	\$0
UGL0520	11-Jun-77	\$3,700,000	\$3,700,000	\$0	\$3,700,000	\$0
881/UGL1005	11-Jun-77	\$5,500,000	\$5,500,000	\$0	\$5,500,000	\$0

Policy No	Eff Date	Limits	Incurred Loss Dow Related	Limits Available for TDCC PL	Incurred Loss DCC Related	Limits Available for DCC other than Implant PL
881/UGL0578	11-Jun-77	\$2,445,000	\$0	\$2,445,000	\$0	\$2,445,000
881/UKL0733	11-Jun-78	\$860,000	\$860,000	\$0	\$860,000	\$0
881/UKL0732	11-Jun-78	\$4,140,000	\$4,140,000	\$0	\$4,140,000	\$0
881/UKL0735	11-Jun-78	\$3,900,000	\$3,900,000	\$0	\$3,900,000	\$0
881/UKL0734	11-Jun-78	\$6,100,000	\$6,100,000	\$0	\$6,100,000	\$0
881/UKL0736	11-Jun-78	\$1,400,000	\$1,400,000	\$0	\$1,400,000	\$0
UKL0737	11-Jun-78	\$1,150,000	\$1,150,000	\$0	\$1,150,000	\$0
881/UKL0739	11-Jun-78	\$1,500,000	\$1,500,000	\$0	\$1,500,000	\$0
881/UKL0730	11-Jun-78	\$3,500,000	\$0	\$3,500,000	\$0	\$3,500,000
881/UKL0732	11-Jun-79	\$4,140,000	\$4,140,000	\$0	\$4,140,000	\$0
ULL0687	11-Jun-79	\$860,000	\$860,000	\$0	\$860,000	\$0
PY106879	11-Jun-79	\$3,900,000	\$3,900,000	\$0	\$3,900,000	\$0
881/UKL0734	11-Jun-79	\$6,100,000	\$6,100,000	\$0	\$6,100,000	\$0
PY106979	11-Jun-79	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
PY107079	11-Jun-79	\$1,150,000	\$1,150,000	\$0	\$1,150,000	\$0
PY107179	11-Jun-79	\$1,500,000	\$1,500,000	\$0	\$1,500,000	\$0
PY107279	11-Jun-79	\$3,500,000	\$0	\$3,500,000	\$0	\$3,500,000
PY156680	11-Jun-80	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$0
PY106880	11-Jun-80	\$9,500,000	\$9,500,000	\$0	\$9,500,000	\$0
PY160980	11-Jun-80	\$500,000	\$500,000	\$0	\$500,000	\$0
PY106980	11-Jun-80	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
PY107080	11-Jun-80	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
PY107180	11-Jun-80	\$2,500,000	\$2,500,000	\$0	\$2,500,000	\$0
PY107280	11-Jun-80	\$3,500,000	\$0	\$3,500,000	\$0	\$3,500,000
PY156680	11-Jun-81	\$4,115,000	\$4,115,000	\$0	\$4,115,000	\$0
PY156680	11-Jun-81	\$885,000	\$885,000	\$0	\$885,000	\$0
PY106880	11-Jun-81	\$9,551,000	\$9,551,000	\$0	\$9,551,000	\$0
PY106880	11-Jun-81	\$449,000	\$449,000	\$0	\$449,000	\$0
PY026781	11-Jun-81	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
PY026881	11-Jun-81	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
PY026981	11-Jun-81	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$0
PY027081	11-Jun-81	\$3,500,000	\$0	\$3,500,000	\$0	\$3,500,000
PY156680	11-Jun-82	\$885,000	\$885,000	\$0	\$885,000	\$0
PY156680	11-Jun-82	\$4,115,000	\$4,115,000	\$0	\$4,115,000	\$0
PY106880	11-Jun-82	\$9,543,000	\$9,543,000	\$0	\$9,543,000	\$0
PY106880	11-Jun-82	\$457,000	\$457,000	\$0	\$457,000	\$0
KY018482	11-Jun-82	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
KY018382	11-Jun-82	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
KY018282	11-Jun-82	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$0
KY018182	11-Jun-82	\$3,500,000	\$0	\$3,500,000	\$0	\$3,500,000
PY156680	1-Dec-82	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$0
PY106880	1-Dec-82	\$10,000,000	\$10,000,000	\$0	\$10,000,000	\$0
KY033982	1-Dec-82	\$1,500,000	\$1,500,000	\$0	\$1,500,000	\$0
KY033882	1-Dec-82	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
KY033782	1-Dec-82	\$2,250,000	\$2,250,000	\$0	\$2,250,000	\$0
KY033682	1-Dec-82	\$3,500,000	\$0	\$3,500,000	\$0	\$3,500,000
KY059783	1-Dec-83	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$0
KY059883	1-Dec-83	\$8,000,000	\$8,000,000	\$0	\$8,000,000	\$0
KY059983	1-Dec-83	\$1,350,000	\$1,350,000	\$0	\$1,350,000	\$0
KY060083	1-Dec-83	\$2,250,000	\$2,250,000	\$0	\$2,250,000	\$0

Policy No	Eff Date	Limits	Incurred Loss Dow Related	Limits Available for TDCC PL	Incurred Loss DCC Related	Limits Available for DCC other than Implant PL
KY060183	1-Dec-83	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000
KY059783	1-Dec-84	\$3,750,000	\$3,750,000	\$0	\$3,750,000	\$0
KY059883	1-Dec-84	\$5,665,000	\$5,665,000	\$0	\$5,665,000	\$0
PY237484	1-Dec-84	\$750,000	\$750,000	\$0	\$750,000	\$0
PY238184	1-Dec-84	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$0
PY237584	1-Dec-84	\$1,250,000	\$0	\$1,250,000	\$0	\$1,250,000
PY237684	1-Dec-84	\$1,250,000	\$0	\$1,250,000	\$0	\$1,250,000
KY059783	1-Dec-85	\$3,250,000	\$0	\$3,250,000	\$3,250,000	\$0
KY059883	1-Dec-85	\$4,500,000	\$0	\$4,500,000	\$4,500,000	\$0
		<u>\$658,922,900</u>	<u>\$374,730,000</u>	<u>\$284,192,900</u>	<u>\$432,480,000</u>	<u>\$226,442,900</u>

EXHIBIT 5
Insurance Allocation Agreement

90 Day LIBOR Definition

Interest will accrue on the balance in the Account from the date of the first advance to Dow Chemical under this Agreement that is credited to the Account until the reversion of the Account pursuant to section 5 of this Agreement at a rate per annum equal to LIBOR. Accrued interest on the balance of the Account shall be added to the balance of the Account as of the last day of each calendar month.

“LIBOR” means, for any Interest Period, an interest rate per annum equal at all times during such Interest Period to the rate for deposits in U.S. Dollars for a period of 90 days which appears on the Telerate Page 3750 as of 9:00 a.m., Eastern Standard Time, on the first day of the Interest Period (or if such day is not a Business Day, the immediately preceding Business Day). If such rate does not appear on the Telerate Page 3750, LIBOR for such Interest Period shall be determined by such other generally recognized reference source for London interbank offer rates for 90 day deposits in U.S. Dollars on the first day of such Interest Period (or if such day is not a Business Day, the immediately preceding Business Day) as Dow Chemical may determine.

“Interest Period” means each calendar month of each year.

“Business Day” means a day of the year on which dealings are carried on in the London interbank market and banks are open for business in London and not required or authorized to close in Midland, Michigan.

“Telerate Page 3750” means the display page designated as page 3750 on the Dow Jones Telerate Service (or such other page as may replace that page on that service, or such other service as may be nominated by the information vendor, for the purpose of displaying rates comparable to LIBOR).