

Monsanto

Copy for P.G.V. 6/26/84
TWT
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SEM

FROM
(NAME-LOCATION-PHONE) Glen E. Hogan - G5NJ - 4-8219

DATE : June 22, 1984
SUBJECT : Owner Controlled Insurance
Program - Account 351.07
REFERENCE :
TO : E. A. Bergmann - G5EC
S. S. Pohrer - G5EC

cc: A. J. Counterman - 1560
L. L. Dearing - 1740
W. A. Hunt - 1630
R. P. Madere IV - F1EA
T. J. McHugh - 1720
J. H. Mehaffey - 1690
D. W. Metten - 1890
M. D. Morris - F1EA
E. A. Priddy - 1760
J. D. Runsvold - 1780
W. Wall - 1200
S. J. Warner - G4WA

PLAINTIFF'S EXHIBIT

MON-554

This is the insurance program where Monsanto purchases Workers Compensation and General Liability for contractors. With the approval of Manufacturing Management Council and CED management, this program is being expanded to CED projects, plant capital work and maintenance contracts for selected plant locations.

The costs for Workers' Compensation and General Liability insurance can be readily identified and charged to a specific project or contract. Other insurance costs not specifically identified are being allocated under the Prepaid Insurance Account No. 351.07.

The costs for 1985 are:

\$ 50,000 Excess General Liability Premium

70,000 Umbrella Liability Premium

30,000 Corroon & Black (Broker fees)

\$150,000 Total

The \$150,000 should be allocated in 1985 as follows:

\$21,000 - Pensacola
3,000 - Krummrich
3,000 - Queeny
1,500 - Carondelet
18,000 - St. Peters
28,500 - Texas City
28,500 - Chocolate Bayou
22,500 - Muscatine
24,000 - Luling

E11A
Need to be in
908.13 budget.

Paul

Glen E. Hogan

LAM026290

SC 18562

January 31, 1984
SUBJECT : Owner Controlled Insurance
Program -- Account 351.07
REFERENCE :
TO : E. A. Bergmann - G5EC
S. S. Pohrer - G5EC

cc. L. L. Dearing-W.G.Krummrich-1740
W. A. Hunt - Muscatine-1630
R. P. Madere IV - FLEA
T. J. McHugh - Carondelet-1720
→ D. W. Metten - Texas City-1890
M. D. Morris - FLEA
E. A. Priddy - J.F. Queeny-1760
J. D. Runsvold - St. Peters-1780
W. Wall - Chocolate Bayou-1200

This insurance program, where Monsanto purchases Workers' Compensation and General Liability for contractors, was initiated at the MRBA project and Chesterfield Village Research Center. With the approval of Manufacturing Management Council and CED management, this program is being expanded to CED projects, plant capital work and maintenance contracts for selected plant locations.

The costs for Workers' Compensation and General Liability insurance can be readily identified and charged to a specific project or contract. Other insurance costs not specifically identified are being allocated under the Prepaid Insurance Account No. 351.07.

The costs for the first year of the program are:

\$ 47,000 Loss Fund Deposit (one time charge for first year only)
50,000 Excess General Liability Premium
65,000 Umbrella Liability Premium
30,000 Corroon & Black (Broker fees)
\$192,000 Total

The \$192,000 should be allocated in 1984 as follows:

\$134,400 CED
57,600 Plants (Operating Companies)
\$ 5,760 - Krummrich
5,760 - Queeny
1,730 - Carondelet
2,880 - St. Peters
14,400 - Texas City
21,310 - Chocolate Bayou
5,760 - Muscatine

The allocation of \$145,000 for next year will change based on CED projects and the volume of plant work. In addition, Pensacola and Luling will be added to the program which will spread the cost further.

GEH/mo

Glen E. Hogan
Glen E. Hogan

LAM026291

SC 18563