**Monsanto**

FEB 23 REC'D

FROM (NAME & LOCATION) H. S. BERGEN - B2SL

DATE : February 22, 1972

cc: R. B. Chapman - G5ND
W. R. Corey - B2SL
R. C. Hellwig - G5NF
J. F. Stapleton - B2SA

SUBJECT : PCB INDEMNITY PROGRAM/
MEANINGFUL FINANCIAL RESPONSIBILITY

REFERENCE :

TO : C. P. Cunningham - B2SA

The purpose of this memo is to request your approval for a revision in our criteria for determining financial responsibility of those customers who sign a special undertaking with Monsanto.

As you recall, in accordance with the approved PCB/PCT policy and implementation program the determination of the customer's satisfactory financial responsibility will be made by a review board with general criteria which were established. The criteria at the outset was based on $50M net worth, or a minimum of $10M product liability insurance coverage to support the indemnity.

In implementing the policies and the financial and insurance criteria with numerous customers it became apparent that some modification in our criteria could be desirable. The ad hoc committee considered this matter and the opinions and recommendations of the committee are reflected in John Stapleton's memo dated February 16, a copy of which is attached.

Mr. Corey and the committee request your approval of the recommendations; specifically, a revision of our original criteria for financial responsibility. The revision would require financial responsibility from all PCB dielectric fluid customers as follows:

If their net worth is less than $50M they support their indemnity with $10M insurance coverage if their purchases are 200,000 pounds or more per year; however, if their purchases are less than 200,000 pounds per year we would only require $5M product liability insurance coverage.

If approval is given to follow this new criteria we will advise all transformer and capacitor manufacturers previously contacted whose purchases are below 200,000 pounds per year that our new requirements now are only $5M insurance coverage.

H. S. BERGEN

Attachment

/jf

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