FRED DANIEL AND SONS
INSURANCE
(ESTABLISHED 1920)

320 SOUTH BOSTON • TULSA, OKLAHOMA 74103

A-2

PLAINTIFF'S EXHIBIT
UC-1312

November 4, 1981

Mr. Kenneth Campbell
Montello, Inc.
6106 E. 32nd Pl.
Tulsa, Oklahoma 74135

Re: Product Liability for
UNIVIS/SUPER VISBESTOS

Dear Kenneth:

This confirms our discussion and my investigation as respects the above product manufactured by Union Carbide Co. and distributed by Montello, Inc.

Your present insurance carrier, Home Insurance Company, has declined to modify exclusion (f) in your policy. See attached photo of this exclusion.

Mr. Glenn Hogg, local Claims Manager for Home Insurance Company, advised me that they would use the exclusion to avoid their paying any claim presented to them arising from your distribution of UNIVIS/SUPER VISBESTOS. He further stated that according to his information any companies handling any type of asbestos product are attempting to get "Hold Harmless" clauses from the manufacturer or quit handling the product.

The next part of my investigation was to submit the entire question to United States Fidelity and Guaranty Company for review. They refused to modify the exclusion in any respect.

In summary, the Home Insurance Company, United States Fidelity and Guaranty Company and your umbrella liability carrier have declined to modify the exclusion in your insurance contracts.

Sincerely,

Glenn

Glenn Frisby

GF:cw

COVERAGE E—COMPREHENSIVE GENERAL LIABILITY—

BODILY INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY COVERAGES

I. The company will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of

bodily injury or
property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the Insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

(a) to liability assumed by the Insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the Named Insured's products or a warranty that work performed by or on behalf of the Named Insured will be done in a workmanlike manner;

(b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any automobile or aircraft owned or operated by or rented or loaned to any Insured, or

(2) any other automobile or aircraft operated by any person in the course of his employment by any Insured;

but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the Named Insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any Insured;

(c) to bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

(d) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any Insured;

(e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any watercraft owned or operated by or rented or loaned to any Insured, or

(2) any other watercraft operated by any person in the course of his employment by any Insured;

but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Named Insured;

~~(f) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;~~

(g) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to

(1) liability assumed by the Insured under an incidental contract, or

(2) expenses for first aid under the Supplementary Payments provision;

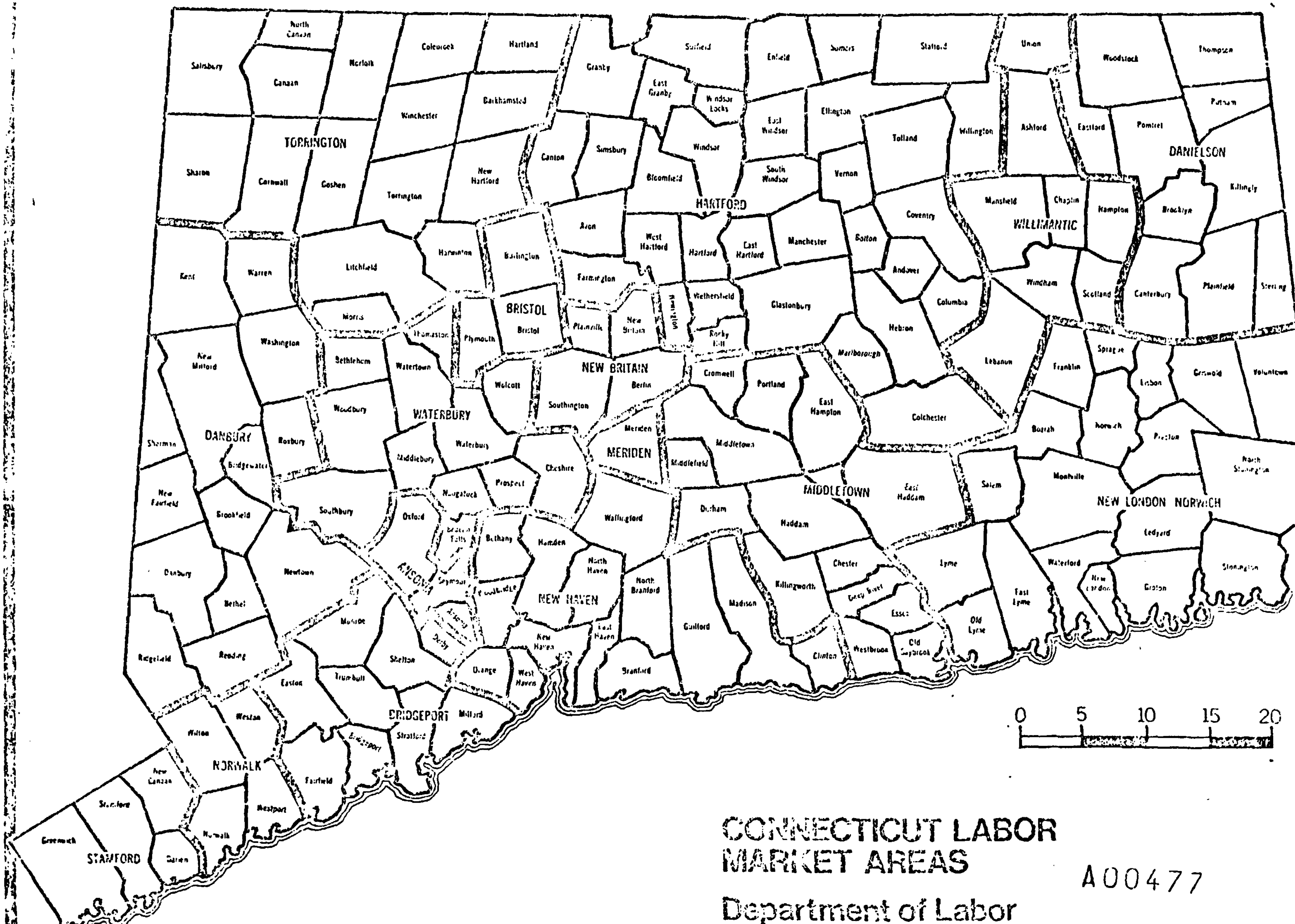
(h) to bodily injury or property damage for which the Insured or his indemnitee may be held liable

(1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or

(2) if not so engaged, as an owner or lessor of premises used for such purposes,

if such liability is imposed

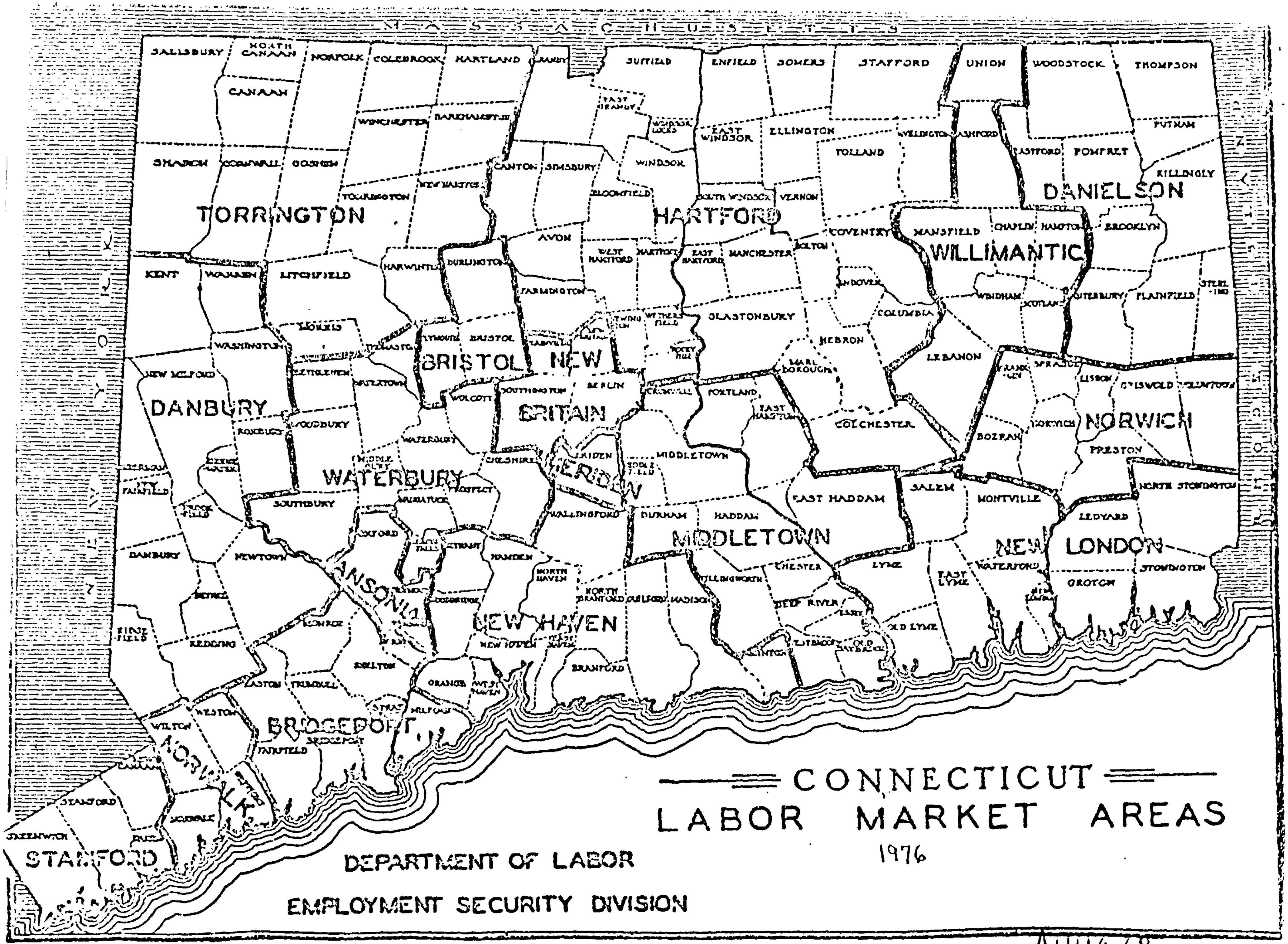
(i) by, or because of the violation of, any statute, ordinance or regulation pertaining



CONNECTICUT LABOR
MARKET AREAS

A00477

Department of Labor
Employment Security Division



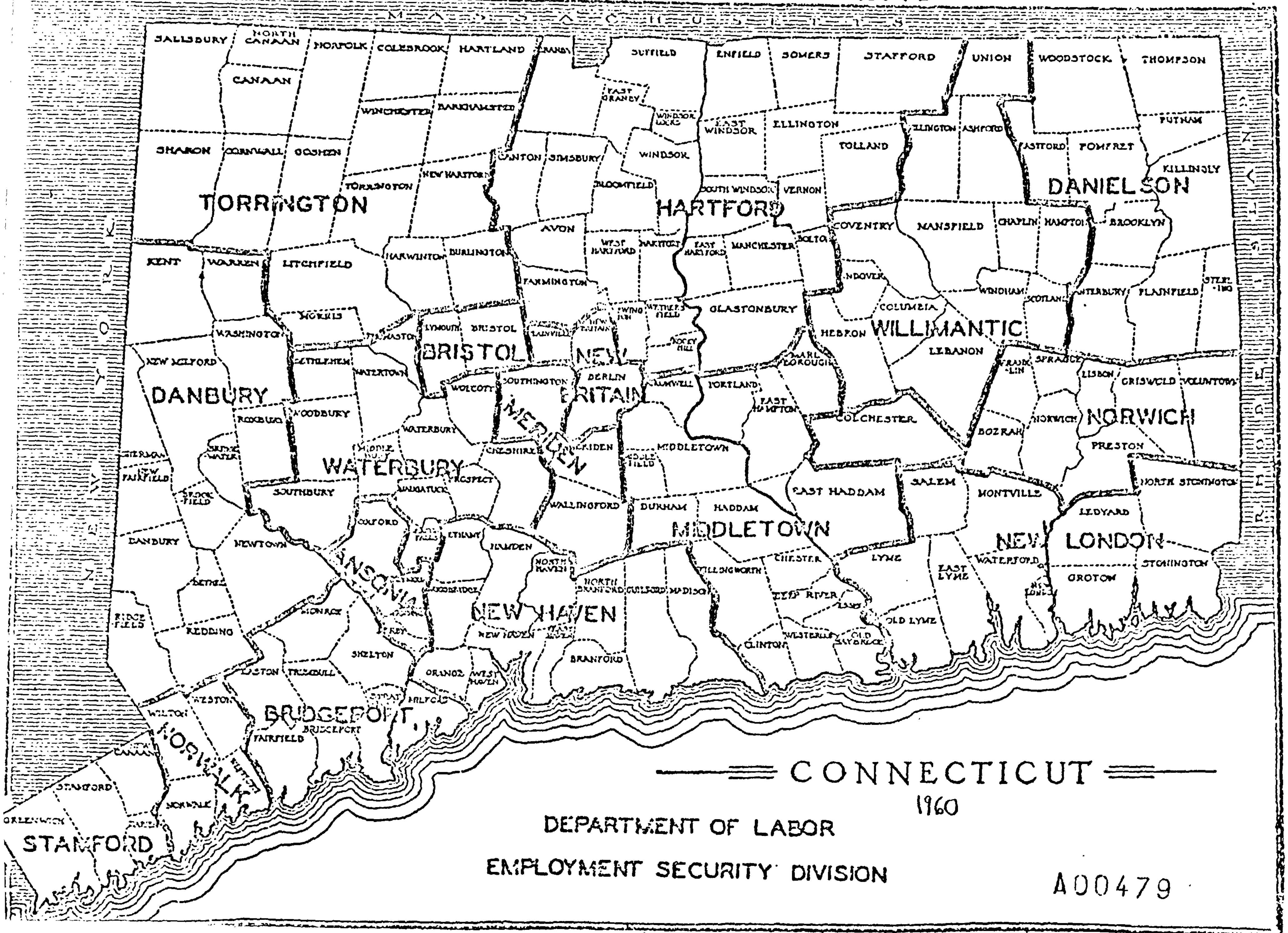
LM-41 (1-76)

Change from 1960:
Burlington from Torrington to Bristol

Willington from Willimantic to Hartford
Coventry, Andover, Hebron from Willimantic to Hartford

A004/8

LABOR MARKET AREAS



LABOR MARKET AREAS