

PLAINTIFF'S
EXHIBIT
DUP-2177



E. I. DU PONT DE NEMOURS & COMPANY
WILMINGTON, DELAWARE 19898

LEGAL DEPARTMENT

cc: G. H. Yarnell, Finance
Dr. B. W. Culpepper, ERD
P. H. Ahrens, ERD

January 28, 1982

RECEIVED

File asbestos D-5

Barry W. Culpepper, M.D.

Mr. George J. McNally
National Account Claim Coordinator
Kemper Insurance Bldg.
Summit, NJ 07901

Dear Mr. McNally:

Re: Workers' Compensation Benefits In
Texas For Du Pont Employees Diagnosed
As Having Asbestos-Related Conditions

This letter is a follow-up to our recent telephone conversation related to the above matter. As I mentioned to you, I believe it would be beneficial to both Du Pont and Kemper if a meeting could be arranged in the near future in Houston, Texas, for the purpose of discussing Du Pont's occupational disease program (asbestos-related conditions in particular) opposite Texas Workers' Compensation requirements and Kemper administration of claims and benefits.

By way of background, two groups within Du Pont share responsibility for the administration of the Company's workers' compensation program. Our Safety Division is charged with the overall responsibility for policy. In addition, in states where Du Pont is self-insured, the Safety Division coordinates with site management payment of benefits in nonlitigation situations. On the other hand, once a claim has been filed, the responsibility for coordinating the defense of the claim, payment of benefits, etc. shifts to the Labor Law Division of the Legal Department.

Du Pont's program for asbestos-related conditions may be summarized as follows:

- Chest x-rays are taken of all present employees during their routine annual physical examination.
- The x-rays are read and interpreted by an "outside" radiologist. Employees are informed of

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any abnormalities that are found. In addition, employees who could have been subject to exposure to asbestos at a Du Pont site are generally referred (at the Company's expense) to an "outside" pulmonary specialist for additional testing and evaluation.

- If responsibility is accepted, the employee is informed that the Company will monitor the condition by providing periodic medical examinations (x-rays, pulmonary function tests, etc.). The employee is also told the Company will provide assistance in helping obtain any workers' compensation benefits he or she may be entitled to under the applicable state law. It should be noted that the Company, to date, has chosen to waive procedural defenses (such as statute of limitations), which it could have raised had it contested the matter.
- Pensioners were recently informed of the availability of such medical monitoring and are also offered benefits where the circumstances described above are present.

It is my understanding that approximately 45 individuals to date (which includes some pensioners) have been diagnosed under Du Pont's program as having asbestos-related conditions for which the Company wishes to accept responsibility. For the most part, however, the diagnoses have been that of preliminary disease--no present impairment. When such is the finding, an employee is told that, should the condition deteriorate in the future, the Company will at that time help obtain the appropriate workers' compensation benefits due, if any.

Texas is a unique situation for Du Pont inasmuch as it is the only state where it has a significant concentration of employees but is not self-insured for workers' compensation. As a result, corporate Safety and Legal personnel are unfamiliar with both the requirements of the Texas Workers' Compensation Law and Kemper's method of handling cases. I believe a meeting between appropriate representatives from Kemper and Du Pont (site and corporate) would help clarify our understanding of Kemper's requirements in handling these Texas claims, and Kemper would acquire a better understanding of Du Pont's program.

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Mr. George J. McNally

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We apologize for the delay in bringing this matter to your attention. Please don't hesitate to call if you have any questions related to the information presented above (302-774-9630).

Very truly yours,

Alan G. Burton

AGB:dwm

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