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March 1, 1971

Mr. Robert B. Chapman
Insurance Manager
Monsanto Company
800 N. Lindbergh Boulevard
St. Louis, Missouri 63166

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Dear Bob:

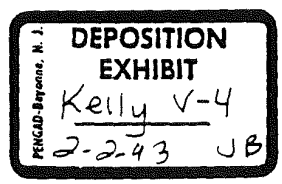
CASUALTY LOSS PREVENTION PROCEDURES

Our discussions on February 17, 1971 in your office covered a multitude of casualty loss prevention procedures. For the benefit of all concerned, I would like to record my understanding of them.

1. Travelers has elected to coordinate its loss prevention activities out of its home office. Don Leonard has been designated as coordinator of loss prevention for Monsanto and Bill Burgess is his back-up man. Ken MacFarlane could be contacted if neither Don Leonard or Bill Burgess were available. Travelers' home office telephone number is 203 - 277-0111 and can be used to reach these people until Ken MacFarlane provides individual telephone numbers.

2. It's understood that for routine loss prevention services (scheduling a survey, requesting an industrial hygienist call, obtaining consultation on a particular technical problem) Monsanto insurance, loss prevention and medical staff personnel would contact Travelers' home office loss prevention personnel directly.

3. Marsh & McLennan's Casualty Loss Prevention personnel would serve as a consultant to Monsanto and would assure a proper coordination of loss prevention activities. A successful accomplishment of this responsibility is best achieved if matters involving loss prevention procedure and policy are first referred by Monsanto and Travelers to Marsh & McLennan. For the next several months, I will personally assume this coordinating function.



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4. Travelers will have loss prevention surveys made of principal locations within 120 days after March 1, 1971. Two lists of locations, one developed by Marsh & McLennan as representing principal locations and the other established for the scheduling of claims calls, were left with Russ Miller for review. Russ is to prepare a composite location listing, to include the names of plant managers and safety personnel to be contacted.

Upon receipt of this up-dated location listing, Ken MacFarlane is to have a tentative schedule of call dates prepared. Russ Miller will review proposed dates with plant personnel to obtain an agreed upon schedule.

Specific appointments are to be made for all calls.

Since Travelers will also be making fire inspections at four locations -- Decatur, Muscatine, St. Louis (J.F.O.) and Texas City -- which will involve Dick Schisslak, it was requested that calls to those locations be well spaced apart.

5. From a casualty loss prevention viewpoint, Travelers' particular interest will involve large loss potential and the management control over such loss potential, as respects employees and members of the public and their property.

Where plants are involved in chemical operations, loss prevention calls will generally be made by chemical specialists. Discussions will involve processes and loss prevention organization, policy and procedure.

6. During a survey, should any question concerning a process arise which plant personnel are reluctant to answer, Travelers will present that question in writing to Bob Chapman if it is thought to be pertinent to an evaluation of a loss potential. It's understood that Travelers loss prevention personnel may be asked to sign secrecy agreements at some locations.

7. Extensive discussions took place concerning air and water pollution. Mr. Weaver indicated that very thorough audits of pollution potential are to be made at operating locations, commencing in about one month. Most will be completed by July 1, 1971. At that time, results of audits, which will include both problem definition and proposals for correction, can be reviewed with Travelers loss prevention personnel and those persons involved in pollution control. This procedure will satisfy Travelers' interest and concern as respects this subject.

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8. Duplicates of cause of loss codes used in loss runs to be produced quarterly were left with Russ Miller for consideration. He has since decided to utilize Travelers' coding system. Communication to that effect will be necessary within the Monsanto organization. Ken MacFarlane is to attempt to have cause codes discussed during initial claims calls.

9. To assure a continued elevator inspection program, Ken MacFarlane will ask Travelers loss prevention personnel to obtain data on the number and type of elevators during first calls. Subsequent elevator inspections will be made by personnel other than those making initial calls and it's understood that a contact needs to be established at a plant level with whomever would be responsible for this function. Inspections would be made at a frequency to satisfy legal requirements; when there are none, inspection frequency would be in accordance with good loss prevention practice.

10. Russ Miller will put together a list of MAC centers to which an annual inspection will be scheduled. Russwill provide Travelers with the special form developed for MAC center inspections. These surveys would be completed in 6 months; locations are busier in the summer.

11. Annual calls are to be made at about 10 Anfo locations for which Travelers also will be provided a location listing by Russ Miller. Russ will work out the procedures with management to have those surveys made. All of those inspections will be made in the first year.

12. As respects the listing of plant and other locations being prepared by Russ Miller (not MAC centers or Anfo operations) Travelers will schedule a minimum of annual calls unless needs indicate a greater frequency of service is desirable. This subject is to be discussed during first calls. Ken MacFarlane will develop a proposed schedule of surveys, for subsequent review and discussion.

13. Travelers' extensive educational and promotional materials are to be made available to all locations. A monthly safety poster mailing service will be immediately established for principal locations. Ken MacFarlane will provide Russ Miller with an index of Travelers safety materials and selected samples.

14. During a discussion of assistance in the training of supervisors in loss prevention fundamentals, Travelers' Safety Action program was reviewed. This is a 5 hour in-plant program which can be made available. Ken MacFarlane will send Russ Miller a

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brochure on the subject. Although it was not discussed, it would be appropriate to consider a display of this program.

15. Concerning products liability, it was agreed that any discussion necessary concerning loss frequency or a particular loss problem would be commenced with Bob Chapman who would arrange for other appropriate personnel to be involved.

16. Travelers loss prevention personnel will confirm all surveys by letter. Distribution will be as follows:

Original:	Location Manager
Duplicate:	Robert Chapman
Duplicate:	Russ Miller
Duplicate:	Dr. Kelly
Duplicate:	Marsh & McLennan - Chicago Loss Prevention Department

It's understood that the contents of all such letters will be thoroughly discussed with the location manager or his designate before Travelers loss prevention personnel leave the premises.

17. To provide a means of personal communication between Monsanto, Travelers and Marsh & McLennan on all loss prevention subjects, three meetings a year are to be held at Monsanto headquarters. For that purpose, these meetings would more than likely be broad in scope and involve a variety of people.

Bob, I believe this procedural meeting was most productive and should have set the stage for a performance to the mutual advantage of all concerned.

Sincerely,

Fred A. Manuele

Fred A. Manuele
Vice President

FAM:sa
cc: Russ Miller
Ken MacFarlane

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TRANSCRIPT OF PROCEEDINGS

IN THE SUPERIOR COURT

OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

MONSANTO COMPANY, Plaintiff, v. AETNA CASUALTY & SURETY COMPANY, et al., Defendants.	Civil Action Number 88C-JA-118-1-CV NON-ARBITRATION CASE

KELLY DEPOSITION EXHIBITS

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Washington, D. C.

Thursday, February 4, 1993

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