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ESTABLISHED 1871

MARSH & McLENNAN

INCORPORATED

INSURANCE

70 PINE STREET NEW YORK 10005

AREA CODE 212 943-2000

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December 21, 1970

Mr. K. E. FitzGerald
Insurance Manager
American Standard, Inc.
40 West 40th Street
New York, New York

Dear Ken:

Railroad Friction Products Corporation
Policy #TRNSLL891297
Expiration Date - December 31, 1970

As you are aware, we have been in discussion with The Travelers Insurance Company regarding the renewal of the Liability policy for Railroad Friction Products Corporation, which expires on December 31st. Our Pittsburgh Office has advised that they have an audit for the 1968-69 year, which shows sales for Railroad Friction Products of \$7,258,000 and sales for Cobra Friction Products of \$804,947 and a total sales figure of \$8,062,947. For renewal purposes, we are advised by your office to increase this figure by 10% and we advised The Travelers that the estimated sales for the 1970-71 term would be \$8,869,242. With respect to payroll, our 1968-69 audit indicates minimum premiums are applicable and no payroll developed. We have advised The Travelers that no payroll is anticipated for the coming year.

As a result of our discussions with The Travelers, we have been advised that the Products rates for the coming year will be increased by 15% over the expiring rates. Current rates increased by 15% applied to estimated sales of \$8,869,242 develop an estimated premium of \$3,542 for your Products exposure. An additional \$130 will be developed as an Excess Limits charge and minimum premiums for Owners and Contractors Protective Liability Codes 0512 will develop minimum premiums. We expect, therefore, that the renewal premium total will be in the vicinity of \$3,750.

As we agreed, I have requested that The Travelers issue the renewal on the basis cited above.

With respect to the Workmen's Compensation coverage which expires at the same time, we expect the renewal shortly and we expect that it will be

PLAINTIFF'S
EXHIBIT

WVRR 539

PLAINTIFF'S
EXHIBIT

78035.00

CRMC-000362

MARSH & McLENNAN

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Mr. K. B. FitzGerald
Insurance Manager
American Standard, Inc.

December 21, 1970

issued at the minimum premiums since no payrolls are involved.

When renewals are available, they will be forwarded to you.

Sincerely,

MARSH & McLENNAN

By:


Robert Leach

RL:hem

bcc: Mr. F. W. Ingham, Insurance Manager
Johns Manville Corporation
22 East 40th Street
New York, New York 10016

CRMC-000363

RAILROAD FRICTION PRODUCTS CORP. AND COBRA FRICTION PRODUCTS LTD.

7/15/78 - 7/15/79

SCHEDULE OF CASUALTY INSURANCE

<u>COVERAGE</u>	<u>LIMITS OF LIABILITY</u>	<u>CARRIER</u>	<u>POLICY NUMBER</u>	<u>PREMIUM</u>	<u>PENNSYLVANIA TAX</u>	<u>ADMITTED OR NON-ADMITTED</u>
SELF INSURED RETENTION	\$1,500,000	NONE	NONE	NONE	NONE	NONE
MANUSCRIPT GL BUFFER	\$ 100,000	ADMIRAL	8CM0613	MSD \$25,000 RATE .92 PER \$1000 SALES	\$ 7.50	N
FOLLOWING FORM EXCESS LIABILITY	\$1,000,000	PRUDENTIAL RE	DXC DX 1048	\$65,000 FLAT		A
FOLLOWING FORM EXCESS LIABILITY	\$2,000,000	PRUDENTIAL RE 1 MILLION LEXINGTON-1 MILLION	DXC DX 1042 5511321	\$43,000 FLAT \$40,000 FLAT	\$12.00	A N
FOLLOWING FORM EXCESS LIABILITY	\$5,000,000	LEXINGTON	5511321	\$75,000 FLAT	\$22.50	N
FOLLOWING FORM EXCESS LIABILITY	\$15,000,000	PRUDENTIAL RE-5 MILLION AETNA C6S-5 MILLION MIDLAND-2.5 MILLION 1st STATE-2.5 MILLION	DXC DX 1059 OIXN1906WCA XLI60028 915138	\$25,000 FLAT \$25,000 FLAT \$12,500 FLAT \$12,500 FLAT	\$ 3.75	A A A N