

FILE NAME: Cape Asbestos (CAPE)

DATE: 0000

DOC#: CAPE148

DOCUMENT DESCRIPTION: Manual of Admin and Accounting Procedures -
Insurances [Legal - Tibbs Case Exhibit 46]

CAPE INDUSTRIES LIMITEDMANUAL OF ADMINISTRATION AND ACCOUNTING PROCEDURES - MAAP 15
INSURANCESSECTION I - POLICY1. Objective

The objective of the Group's policy on insurances is to protect assets and revenue, at minimum cost consistent with adequate cover, against significant loss arising from damage to, or loss of, property and from legal liability incurred in the course of business.

2. Policy

It is the policy of the Group:

- (a) to insure against normal business risks where the potential loss may be large or catastrophic, with the exception of credit insurance in the U.K.
- (b) to insure against all risks where there is a statutory or other legal requirement to do so, e.g. under the Employers Liability (Compulsory Insurance) Act 1969, the Road Traffic Acts, and the Company's Debenture Trust Deeds.
- (c) to insure against personal accident risks in respect of employees travelling in the normal course of their duties abroad or by air and in other specified circumstances.
- (d) to accept a degree of self-insurance in appropriate circumstances either by carrying the full risk where the potential loss is not material or by accepting an agreed first part of any loss suffered.
- (e) to insure in appropriate circumstances where the insurers provide a complementary service, e.g. settling claims or inspecting plant, which is cost effective.

3. Classes of Insurance (U.K. only)(a) All companies

In accordance with Group policy the following classes of insurance (negotiated on a Group basis except for the CDL Group) should be carried by all companies in the United Kingdom:

Employers liability
Engineering
Fire and allied perils*
Motor (including motor contingent liability)
Personal accident
Public/products liability*

In the case of the classes of insurance marked with an asterisk individual companies have discretion as to the sums insured/indemnity limits.