HL-103-20-1203

MAR 1976

Johns-Manville

Internal Correspondence

To: G. O'Dair

Date: March 30, 1976

From: W. Curtner

Copies: see below

Subject: Memo on Trip to Hartford

Insurance

I. Trip to Hartford - Meeting with Travelers

On March 16th, Dr. Kotin, Bill Reitze, John Brooks, (Marsh & McLennan), Bob Leach (Marsh & McLennan), and myself met with Travelers from 9 a.m. till about noon. Travelers had approximately seven of their people in attendance, Mr. Joe Toast and Mr. Talmage Neece seemed to be their principal spokesman.

At the very outset, Travelers informed us that their decision to not renew J-M was irrivocable and final, and that the meeting would be for informational purposes only. Dr. Kotin then proceeded to explain J-M's position with regard to asbestos, stating that although J-M has not been creating any new cases of asbestosis for a period of time now, we probably would not see a decline in the number of asbestosis cases for at least, another four or five years.

Travelers listened attentively to Dr. Kotin, but they did not display a desire to learn more about J-M's position on asbestos despite the fact that Travelers' medical and claims people showed that their knowledge of the subject was extremely limited. We offered to provide Travelers with whatever information we had available either at this time or at any later date, but again Travelers did not seem interested.

The above lack of interest in obraining knowledge of the asbestos health hazard was especially disturbing because Travelers stated that they had already established a company policy of not renewing any company that manufactured, installed or sold a significant volume of products containing asbestos. In fact, Travelers showed us a bulletin (but would not allow us to take a copy) sent to all of their local offices instructing them to get home office approval before writing insurance for any company associated with any one of a list of about nine very broad product groups, simply because products in these nine groups might contain asbestos. Some of the nine were: wall board, rock wood, pipe and waterproofing compounds.

PLAINTIFF'S EXHIBIT
WV RR 535

PLAINTIFF'S EXHIBIT
7803.00

Travelers stated that they had already notified Certain-teed, H. K. Porter, Todd Shipyards and Railroad Friction (of which J-M owns 50% and American STD owns 50%) that they would not renew them. They, also, are definitely not going to renew any contractors that install a significant amount of asbestos products. However, they are still in the process of determining how much further they will go.

After all the medical facts had been presented (and apparently accepted as correct by Travelers), Travelers said, in effect, that it is irrelevent what the medical facts show because these facts will be ignored by a jury in court. Travelers concern was that J-M could not establish anything above a zero threshold level of resistance to the asbestos hazard. That is, if a man cut a wall board containing asbestos only once during his lifetime and then he died of lung cancer Travelers feels J-M would be unable to prove that asbestos did not contribute to his death. In other words, we cannot prove to a jury that there is a level of asbestos below which one can breath without it being a health hazard.

I have presented this question to Earl Parker and Dick Von Wald, and they said they wanted to discuss it with Dennis Markusson before expressing an opinion on Travelers position. If our Legal Department decides that they can knock some holes in Travelers argument, we will have the second meeting with Travelers. I believe Dr. Kotin did leave Travelers with a few doubts as to the Accuracy of their information.

II. Trip to Hartford - Meeting with Hartford Insurance

After meeting with Travelers in the morning, we went over and met with the Hartford Insurance Company for a couple of hours. Suprisingly, they had about twelve people there to listen to Dr. Kotin and Bill Reitze.

Marsh & McLennan gave us the feedback on this meeting, and it indicates Hartford was favorably impressed. Hartford is now looking at more underwriting data (supplied by Marsh & McLennan) to see if they want to give us a proposal.

cc: P. Kotin
E. Parker
W. Reitze
D. Von Wald

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