Monsanto

FROM (NAME & LOCATION) H. S. Bergen - B2SL

DATE : October 31, 1974

SUBJECT : Harold Bible Question
Specialty Products 1975 Budget
Bethlehem Mink Case

REFERENCE :

cc: R. G. Potter
R. E. Beal
A. J. Koenig
R. C. Chapman
W. W. Withers

TO : F. J. Fitzgerald

To respond to Harold Bible's question of what could Monsanto, and specifically MICC, be liable for in the Bethlehem Mink case, I talked to both Wayne Withers and Bob Chapman regarding the legal and insurance aspects.

From the law suit view point, our maximum exposure is approximately $1 million but the feeling is that the realistic exposure is $150-200,000.

Whatever judgment is made against us, if any, would be totally covered by our insurance coverage. According to Bob Chapman, the insurance company would pay the total bill and there would be no money change hands within Monsanto or from Monsanto to the insurance companies or anyone else.

Once a year (generally in September) Bob Chapman goes over all claims with the insurance company for the last three years. The dollar amount of these claims is then divided by three to level out the impact of various claims and they then adjust the premium that is paid for the subsequent year.

In the case of the Bethlehem Mink, the insurance company has a reserve for this case and it has been included in our premium for 1974 and 1975.

In summary, the settlement of this case will not have financial impact on MICC other than what has already been set up through the insurance premium route. You may care to pass this information along to Harold Bible.

H. S. Bergen

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