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Johns-Manville
Sales Corporation
Insurance Department
Ken-Caryl Ranch
Denver, Colorado 80217
(303) 979-1000

October 6, 1977

Mr. Louis Gulfo
Vice President
ARM International, Inc.
600 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

Re: J-M Entities with Separate Insurance Programs

Dear Lou:

The following is a discussion of J-M subsidiaries which have separate insurance programs:

A. Key Airlines (or Sun Valley Key) is a wholly owned commuter airline that flies out of its base in Salt Lake, Utah to cities in Idaho. It became a division of J-M Sales Corp. as of 1/1/77.

Key has a separate auto and general liability policy. The auto policy has a single limit of $500,000 and insures a total of nine cars. A copy of the auto renewal certificate is attached. Can we get the Ideal policy to be excess of this policy?

The general liability policy (a copy of the policy is attached) has a $50 million limit. It insures all the aviation exposures along with personal injury, contractual, premises, hangarkeepers legal liability and product liability. It also covers the corporate aircraft hangar at Stapleton for these same exposures. We would like to get the umbrella to come above the $50 million policy, but we recognized that this is unlikely due to the fact that we are dealing with a commercial airline.

B. Holophane locations in Canada are covered by a separate program which, due to its low cost, has not yet been consolidated. In August, Rita sent you a copy of the Holophane policies in order to enable you to evaluate how to integrate this program into our corporate-wide program. Have you come up with any suggestions?

C. M.G. Exploration is a joint venture with Gate Drilling Fund and J-M Energy Resources. J-M is an 81½% partner. You have the policies which Gernsey Petroleum Corp. purchased and in which J-M is named as an additional insured. Gernsey is a contract driller working for the joint venture. I assume we will continue to have coverage for this under the policy wording which insures all joint ventures to the extent of our liability. Please return the Gernsey policies when you have completed your study.

PLAINTIFF'S EXHIBIT WV BR 519

PLAINTIFF'S EXHIBIT 77985.00

CRMC-000754

D. Elkhorn at Sun Valley is 85% owned by J-M Idaho. This is a commercial land development project which has a separate insurance program because of its unique nature, compared to other J-M operations. I am waiting for an updated schedule of their insurance program which I expect to receive very soon and will send it on to you. For now, I have attached the 1976 schedule of insurances (Appendix C).

E. Advocate Mines Ltd. is 31% owned by Canadian Johns-Manville, and it has a separate insurance program. Their insurance schedule is attached (Appendix D). J-M has management responsibilities for this corporation.

F. RFPC and Cobra Friction Products, Ltd. are two separate corporations both of which are 50% owned by J-M and 50% owned by Westinghouse Air Brake Company (WABCO). As you know, RFPC and Cobra now have $5.0 million of general liability insurance (including products) of which the first $1.9 million is a self-insured layer. I will send you copies of these policies as soon as I receive them.

In terms of the operation itself, J-M manufactures the product (a railroad brake shoe) and sells it at cost to the joint venture. The joint venture then uses the WABCO sales force to sell the product to the railroads and others. The design of the shoe is WABCO's responsibility.

G. Kingley Falls Paper, Inc. is a Canadian Corporation of which J-M Corporation owns 50%. I have attached an insurance schedule (Appendix E).

H. Polymer International (PIC Holding, Ltd.) and Interpak are two related Canadian corporations of which J-M Corp. owns 50%. I am writing their broker for a schedule of their insurance.

The above are the only joint ventures (other than investments of less than 50% and other than our contract unit operations) that J-M is involved with in the U.S. and Canada. I will, of course, keep you informed of any future changes.

Sincerely,

Walter R. Curtner
Insurance Manager

bkc

Attachments

cc: D. Lyons 3-01
R. Rubin 3-01
J. J. Tracy 3-01