Division Headquarters
June 27, 1949

To All Regional Managers, Salesmen, and
Construction Superintendents of the
Construction Department,
Building Products Division

CONTRACT INSURANCE COVERAGE

The attached bulletin has been prepared to give you a general and rather brief picture of the contractual insurance we carry for our contract operations. No attempt has been made to go into the various aspects of each policy because to do so would result in a voluminous paper. What is given here, however, is information which will provide a working knowledge of our insurance coverage so that you will know the types of insurance and the limits under which we are covered.

E. M. FULLER

Attachment

cc: E. K. Clark
P. J. Washburn
J. L. Williams
W. D. Lawrence
I. J. Fodly
A. M. Schmidt
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Direct Damage Insurance

We carry Direct Damage Insurance protecting us on our materials and installed work up to $50,000.00 at one location, or within one building, and up to $250,000.00 for a single disaster. Specifically this means that we are covered up to $50,000 for damage to our materials or installed work, by fire, hurricane, flood, explosion, etc. in any one building. We may have work in several buildings on the same project, in which case, our coverage is $50,000 in each of the buildings (but not more than a total of $250,000) even though they are on the same project.

The $250,000 coverage for damage caused by a single disaster means that $250,000 is all we could recover if a single hurricane, for instance, damaged work on any number of projects, in any number of locations within the hurricane area, it being understood that $50,000 is the top limit in any one building.

You should check contract documents where the total value of our work will exceed $50,000 before completion, with the view of definitely finding out if J-M will be responsible for damage to our work until final completion and acceptance. Generally, work we install becomes the property of the owner, as it is finished and billed each month, but some contracts will state that the sub-contractor (J-M) will be responsible for damage to its work until final completion and acceptance. In such instances, it will be necessary to arrange for the purchase of supplemental insurance if the value of our work exceeds $50,000 at any time.

* This policy has a ~~$500~~ $100 deductible on each loss.

This policy covers theft from the job site of materials, tools and equipment but note that theft must be proven and that "mysterious disappearance" will not be acceptable to the insurance company. This has a $500 deductible feature also.

Property Damage Insurance

Our Property Damage Policy is in the amount of $10,000 but we have an additional excess coverage policy for one million dollars. We are therefore well protected on property damage.

This policy has a $100 deductible per claim feature.

Bodily Injury or Public Liability

J-M carries $150,000 per person Public Liability and $500,000 per accident Public Liability. This covers injury to the public, and not to J-M employees. It covers us on contracts other than automobile insurance.

For excess coverage, if greater coverage is required we have an excess policy for an additional $100,000 per person and $500,000 per accident.

This covers us also when we sublet any part of our work to another subcontractor.

* 1-1-51 Remain

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Workmen's Compensation Insurance

We carry Workmen's Compensation Insurance in accordance with the laws of the various states. This is handled through the Travelers Insurance Company, and you will note by looking at their form of certificate, that the States of North Dakota, Ohio, Oregon, Washington and West Virginia are excepted. In these states, compensation insurance is provided in the respective monopolistic state funds. This means that the coverage must be purchased from the state as it will not allow an insurance company to write such insurance within that state. We are covered within these states.

In Texas, coverage is provided through the Texas Employers Insurance Company. This is not a monopolistic state fund but a private enterprise set up by the state and we carry this insurance through them at our own option.

In Nevada and Wyoming we are not covered by Workmen's Compensation. If and when we do work in those two states, and if we employ local labor, we will need to arrange for coverage there at that time.

E. M. FULLER

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