

**KAISER  
COAL**

KAISER COAL CORPORATION  
OF YORK CANYON  
P. O. BOX 1107  
RATON, NEW MEXICO 87740  
(505) 445-5531

File ACT/007/012 #4

ACT/007/013 #4

Incoming  
C0070013  
R

March 20, 1989

Mr. Harold Sandbeck  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

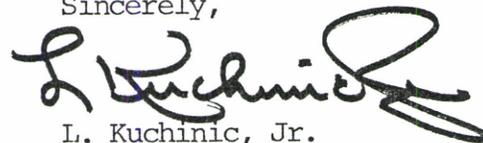
RECEIVED  
MAR 23 1989  
DIVISION OF  
OIL, GAS & MINING

Dear Mr. Sandbeck:

Per our telephone conversation on Tuesday, March 14, 1989, attached is a copy of the correspondence between Marsh & McLennan and Kaiser Coal Corporation which indicates that all of Kaiser Coal's mines, facilities and properties are covered for property damage up to \$20 million for each occurrence. These policies are in effect from November 15, 1988 to November 15, 1989.

If you have any other questions regarding Kaiser Coal Corporation's properties in Utah, please contact me at the above address now that Bill Balaz is no longer an employee of Kaiser Coal and can no longer act or respond for Kaiser Coal.

Sincerely,



L. Kuchinic, Jr.  
Agent - Kaiser Coal Corp.

LK:mcs

Attachments

cc: Denise Dragoo  
Hal Morris  
Hal Lewis  
Lowell Braxton

# Marsh & McLennan

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Marsh & McLennan, Incorporated  
P.O. Box 75055  
Los Angeles, California 90075  
Telephone 213 736-7921

November 15, 1988

RECEIVED  
NOV 17 1988  
Ans'd.....

Mr. Robert Voegele  
Kaiser Coal Corporation  
P. O. Box 1107  
Raton NM 87740

Multi-Coverage Property Insurance  
Renewal November 15, 1988

Dear Bob:

In accordance with our conversation, we have bound effective November 15, 1988 Property insurance for your coal mines. Briefly, the renewal coverages have remained basically the same as the expiring policy, with the following exceptions:

	<u>Annual Premium</u>
1. Primary \$10 million limit	\$300,000
\$10 million xs \$10 million limit	<u>45,000</u>
	<u>\$345,000*</u>

\*Plus taxes and fees

2. Premiums will be adjustable as result of deletions of values;
3. Deductible for All Perils is \$250,000 each loss;
4. Valuable papers and bullion are not covered;
5. Off premises power interruption is not insured (we are currently negotiating with the Underwriters).

We are enclosing Summaries of Insurance for your ready reference. Should you have any specific questions, please give us a call.

EXCESS  
PROPERTY  
Type of Insurance

NAMED INSURED: KAISER COAL CORPORATION, AND ALL DIVISIONS,  
SUBSIDIARIES, ALLIED AND AFFILIATED COMPANIES

<u>POLICY NUMBER</u>	<u>PARTICI- PATION</u>	<u>COMPANY</u>	<u>ATTACHMENT</u>	<u>EXPIRATION</u>
PCA-F-181209	100%	Home Insurance Company	11/15/88	11/15/89

PREMIUM: \$45,000.00 Annual

AMOUNT OF LIMIT: \$10,000,000.00 Excess of \$10,000,000 Per Occurrence  
Including Flood and Excluding Earthquake

COVERAGE: Excess - All Property and Extra Expense

- REMARKS:
- o "All Risks" Perils Insured including Flood and excluding Earthquake
  - o Territorial Limits U.S.A. and Canada
  - o Actual Cash Value clause applies except finished stock, then selling price applies.
  - o Marsh & McLennan, Inc. Manuscript Form applies.
  - o 60-Day Notice of Cancellation Clause applies, except for Non-Payment of Premium. then 10-Days.
  - o Demolition and Increased Cost of Construction clause applies.
  - o Stepdown clause applies.
  - o Automatic Acquisition clause applies subject to 90 days reporting of the property from the date of acquisition.
  - o Joint Loss agreement clause applies.

NOTE: This summary is for your ready reference ONLY. For details of coverage refer to original contract.

PROPERTY  
Type of Insurance

NAMED INSURED: KAISER COAL CORPORATION, AND ALL DIVISIONS,  
SUBSIDIARIES, ALLIED AND AFFILIATED COMPANIES

<u>POLICY NUMBER</u>	<u>PARTICI PATION</u>	<u>COMPANY</u>	<u>ATTACHMENT</u>	<u>EXPIRATION</u>
TBD	100%	Underwriters at Lloyd's London and Certain Insurance Companies	11/15/88	11/15/89

PREMIUM: \$300,000.00 Annual

AMOUNT OF LIMIT: \$10,000,000.00 Per Occurrence and in the Aggregate Annually,  
Separately for Earthquake and Flood excess of  
Deductible.

COVERAGE: Primary - All property and Extra Expense

- REMARKS:
- o "All Risks" Perils Insured including Earthquake and Flood.
  - o Territorial Limits U.S.A. and Canada.
  - o \$250,000.00 Deductible applies to all losses.
  - o Actual Cash Value clause applies except finished stock, then  
selling price applies.
  - o Marsh & McLennan, Inc. Manuscript Form applies.
  - o 60-Day Notice of Cancellation Clause applies, except for  
Non-Payment of Premium. then 10-Days.
  - o Demolition and Increased Cost of Construction clause applies.
  - o Automatic Acquisition clause applies subject to 90 days  
reporting of the property from the date of acquisition.
  - o Joint Loss agreement clause applies.

NOTE: This summary is for your ready reference ONLY. For details of coverage  
refer to original contract.

Marsh & McLennan, Incorporated

Please accept this letter as evidence of coverage until the issuance of the policies. The appropriate invoices will follow shortly.

Sincerely yours,



David K. Iwana

DKI:eg

Enclosures

cc: Mr. Claude Bradford

Mr. Robert Voegele  
November 15, 198