

Pam Grubaugh-Littig - RE: Bond - Lincoln General Insurance Company Underwriting Limitations

From: "Borrell, Clyde" <cborrell@coalsource.com>
To: Pam Grubaugh-Littig <nrogm.pgrubaug@state.ut.us>
Date: 07/02/2001 11:56 AM
Subject: RE: Bond - Lincoln General Insurance Company Underwriting Limitations

Dear Pam:

Thanks for the update on bonding. After reading your e-mail I went and discussed the situation with our insurance person. He said that the Horse Canyon Bond will remain with Lincoln General. However, the Lila Canyon Bond will be with a different company. The bond for Lila Canyon has been approved and we should have the certificate any day from the new company.

*Johnnie
7/02/01*

Again, thanks for the information. I look at the fact that you (DOGM) are working on bonding issues as very positive!

Thanks - Clyde

-----Original Message-----

From: Pam Grubaugh-Littig [mailto:nrogm.pgrubaug@state.ut.us]
Sent: Monday, July 02, 2001 1:34 PM
To: cborrell@coalsource.com; tompaluso@sisna.com
Cc: Dave Darby; Daron Haddock; Mary Ann Wright
Subject: Bond - Lincoln General Insurance Company Underwriting Limitations

Clyde, I just checked the current Department of Treasury Circular 570 for the underwriting limitations on surety bonds. Lincoln General Insurance Company has an underwriting limitation of \$1,709,000. The current bond is ~~\$1,137,726~~ and with the additional Lila Canyon portion (\$1,556,000), the bond amount to be posted equals, \$2,693,726 (greater than \$1,709,000).

There are some options: Get two bonds from Lincoln General or get another surety to post the entire amount.

If you have any questions, please let me know. Pam

*1,253,000
1,556,000

2,809,000*