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Incoming  
C/007/0022

**From:** "Cydney Garland" <CydneyGarland@SavageServices.com>  
**To:** "Pete Hess" <petehess@utah.gov>  
**CC:** <jimdsmith@utah.gov>, "JoAnne Walker" <joannewalker@savageservices.com>  
**Date:** 10/6/2008 10:12 AM  
**Subject:** RE: omitting parts of the Cancelation clause

JK

Pete,

We have approached our Broker, Marsh, concerning the wording in the cancellation clause on our certificate of insurance. Marsh informed us they are unable to accommodate this request because it exposes them to an Error and Omission Claim if for some reason they were not able to comply. Unfortunately since they supply hundreds of thousands of certificates for Savage it is possible (quite minute chance but possible) that the notice may not be received by your agency in the manner requested.

We asked them to take this to our insurance carrier, Ace American, and see if they would allow them to change the wording. They too were unable to accommodate this request for the same reason. However, they were willing to meet us half way by offering the attached endorsement. The attachment includes our current certificate of insurance and an example of the endorsement. If approved by your office we will have them draw up the endorsement with the State of Utah as the Certificate Holder. Please let us know if this is acceptable and we will have it drawn up immediately.

It is our understanding that you are going out on medical leave over the next few days. It is our desire to have this resolved before your leave, however, we also request adequate time to find a solution that meets both parties satisfaction.

Best Regards,

Cydney Garland  
Claims Administrator  
801-944-6665  
801-424-7271 (fax)

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

**From:** Pete Hess [mailto:petehess@utah.gov]  
**Sent:** Thursday, October 02, 2008 1:49 PM  
**To:** Cydney Garland  
**Cc:** Daron Haddock; Jim Smith  
**Subject:** Re: omitting parts of the Cancelation clause

Hi Cydney...

I know this is as frustrating for you as it is for Boyd, and myself as well. I'm not sure who Alan Edwards is, but at the Division, Pam Grubaugh-Littig was our Permit Supervisor and guru on the liability insurance policies. She has, however, retired, and Mr. Jim Smith has been promoted to her position. Jim can be reached @ 801-538-5262. Our Coal Program Manager is Mr. Daron Haddock and he can be reached at 801-538-5325. I can't give much more guidance from my perspective. OSM tells us how things are supposed to be and that is that. I do believe

time is warranted in getting this mess straightened out however. Thanks for your efforts, wherever they may lead...

>>> "Cydney Garland" <CydneyGarland@SavageServices.com> 10/2/2008 1:32 PM >>>

Hello Pete,

We find in situations such as this it is better to deal directly with your risk manager. Would you please give me the name and contact information? I know Alan Edwards is no longer the risk manager but I do not know who replaced him.

Our insurance broker issues hundreds of certificates for us. Our broker's agreement with the insurance company does not allow them to make alterations to the Acord certificate. There is always a chance that a certificate holder may not be given proper notification should a specific event occur which would require notification. Should they miss one and there are consequences, this would become an errors and omission claim for Marsh. When I worked on the broker side in the insurance world, insurance carriers would not allow us to issue these certificates. In fact, the altered certificates were issued by the insurance company.

Finally, what happens when a certificate is issued, as you requested with the specific verbiage stricken, the policy has material changes or cancelled and you are not notified? What happens? Are there violations? Is it breach of contract? You are very clear about what happens if you don't get the certificate as requested but what are the consequences if the certificate is issued but proper notice is not given upon material change or cancellation?

Please get back to me as soon as possible so we can get this issue resolved.

Cydney Garland

Claims Administrator

801-944-6665

801-424-7271 (fax)