

0015

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 10:13 AM
Subject: FW: omitting parts of the Cancellation clause
Attachments: Current Certificate.pdf; Ammendment of Cancellation Provisions.pdf; Cancellation Ammendment.pdf

J

Attachments are not attached, sorry about that,

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

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

From: Cydney Garland
Sent: Monday, October 06, 2008 10:11 AM
To: 'Pete Hess'
Cc: 'jimdsmith@utah.gov'; JoAnne Walker
Subject: RE: omitting parts of the Cancellation clause

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)

ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 10/03/2008
PRODUCER Marsh USA Risk & Insurance Services 15 West South Temple, Suite 700 Salt Lake City, UT 84101 Attn: Chris Brimhall (801) 533-3627	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED SAVAGE COMPANIES 6340 SOUTH 3000 EAST, SUITE 600 SALT LAKE CITY, UT 84121	INSURERS AFFORDING COVERAGE	NAIC #
	INSURER A: ACE American Insurance Company	22667
	INSURER B: ACE Fire Underwriters Co	20702
	INSURER C:	
	INSURER D:	
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> SIR \$500,000 GENERAL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	XSLG21703072	04/01/08	04/01/09	EACH OCCURRENCE \$ 4,500,000 DAMAGE TO RENTED PREMISES(Ea occurrence) \$ 4,500,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 4,500,000 GENERAL AGGREGATE \$ 9,500,000 PRODUCTS - COMP/OP AGG \$ 4,500,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS GARAGE LIABILITY <input type="checkbox"/> ANY AUTO	ISAH08013354	04/01/08	04/01/09	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA AGG \$ AUTO ONLY AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WLRC44467161 (AOS)	04/01/08	04/01/09	<input checked="" type="checkbox"/> W/C STATUS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000
A		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WLRC44467173 (CA)	04/01/08	04/01/09	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
		OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
SUBJECT TO THE STANDARD EXCLUSIONS IN THE 2000 GENERAL LIABILITY ISO FORM, CG 00 01 10 01. COVERAGE FOR DAMAGE CAUSED BY EXPLOSIVES IS NOT SPECIFICALLY EXCLUDED ON THE GENERAL LIABILITY POLICY. RE: SAVAGE COAL TERMINAL PROCESS AND LOADOUT FACILITY ACT/007/022.

CERTIFICATE HOLDER SEA-001100711-20	CANCELLATION
STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS & MINING PO BOX 145801 SALT LAKE CITY, UT 84114-5801	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
	AUTHORIZED REPRESENTATIVE of Marsh USA Risk & Insurance Services Chris Brimhall

**AMENDMENT OF CANCELLATION PROVISIONS -
NOTICE TO ADDITIONAL INTEREST(S)**

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
TRUCKERS COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
GARAGE COVERAGE FORM**

SCHEDULE

Number of days advance notice: 30

**Name:
Address**

**Name:
Address**

**Name:
Address**

**Name:
Address**

Authorized Agent

CANCELLATION - NOTICE TO ADDITIONAL INTERESTS

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the following:

**Commercial General Liability Coverage Form
Excess Commercial General Liability Policy**

In the event that we cancel the policy, we agree to mail to the additional interests set forth in the Schedule below _____ days advance notice if the cancellation is for a legally permissible reason other than nonpayment of premium.

Schedule:

Name:
Address:

Authorized Agent