

October 22, 1975

Vice President Hess:

Catastrophe Products Committee  
Asbestos

The Committee has met repeatedly since March of this year and has now reached a consensus on this subject.

While the Committee recognizes our original charge was limited to Products, it was felt imperative to touch upon Compensation exposures once the study began because of the explosive potential asbestos presents in that area.

The essential plan of the Committee was to use asbestos as a test case to see if we could:

- I. Determine if it presented a catastrophe exposure
- II. See if extraordinary pricing could make the catastrophe reducible to a level which would not imperil the assets of The Travelers
- III. State when the catastrophe was likely to occur
- IV. Make practical recommendations on the course of action indicated for Travelers

The conclusions and recommendations of the Committee follow.

Exhibit 0340-0004  
S-NP 6-12-84  
Wit: Lucht

DL-Ex 14-A Frid  
RJB 12/7/82