

August 12, 1969

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Vice President Carter
Second Vice President Montgomery
Second Vice President Bright
Second Vice President Hess
Secretary Nash
Secretary Newton
Assistant Secretary Hatch

* ASBESTOS DUST HAZARDS

We expect unusual hazards in this day of exploding technology. Occasionally a more serious problem arises that needs special treatment. The Travelers Engineering and Claim people feel it necessary to document their concern over a new and catastrophically serious loss potential involving the asbestos industry, relative to the workmen's and general public exposure to asbestos dust.

Dr. Dunn (Travelers' Manual says 1932)

The problem was first brought to our attention in December, 1966, by our customer, Johns-Manville, who were disturbed because we paid a claim for another insured, Ventnore Asbestos Company. A ruling was handed down indicating a probable causal relationship between the claimants' long association with the asbestos industry and the development of cancer of the colon. A Doctor Selikoff's testimony was very damaging to us in this landmark case. Johns-Manville thought this case would open the floodgates and that they, as a major producer of asbestos, would be in great jeopardy.

Dr. I. J. Selikoff of the Mt. Sinai Hospital in New York City has made statistical studies of asbestos workers and insulation installers, who have been exposed over the last 25 years. Two quotes from Doctor Selikoff's published data follows:

"Building trades, installation workers have relatively light, intermittent exposures to asbestos. Of 632 insulation workers who entered the trade before 1943 and were traced through 1962, 45 died of cancer of the lung or pleura, whereas only 6.6 such deaths were expected. Three of the pleural tumors were mesotheliomas; there was also one peritoneal mesothelioma. Four mesotheliomas in a total of 255 deaths is an exceedingly high incidents for such a rare tumor. In addition, an unexpected but large number of men died of cancer of the stomach, colon, or rectum (29 compared with 9.4 expected). Other cancers were not increased; 20.5 were expected, 21 occurred. Twelve men died of asbestosis."

"Among the asbestos workers studied here, cancer of the stomach, color and rectum were three times as frequent as expected. These data suggest there may perhaps be an etiological relationship between the industrial asbestos exposure and carcinoma of the gastral intestinal tract."

The attached copy of pages taken from Taylors Digest further spell out the problem and demonstrate the type of material that is appearing in the public press with increasing frequency.

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It is apparent our concern is not just with asbestosis and lung cancer, which is well established among asbestos workers, but also cancer of the stomach, colon and rectum.

Asbestos dust has long been recognized as a health hazard. Classically it produces a lung involvement termed asbestosis. It is an insidious, slowly progressive disease, occurring with continued inhalation of asbestos dust or fibers. It involves the alveolar walls of the lung and thickens them by cohesive proliferated cells. In short, it reduces the lung capacity which may ultimately lead to death. Two types of cancer have also been associated with the inhalation of asbestos dust, carcinoma of the lung and mesothelioma of the pleura or peritoneum.

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In April of this year, we as insurer for both Combustion Engineering and Johns-Manville, paid several thousand dollars in a compromise judgment to [REDACTED] an insulation worker of some 25 years. There were eight defendants, only two of which were our policyholders.

[REDACTED] alleged generally that he developed asbestosis because in addition to the products he himself handled, and while on jobs where he did not use the products himself, nevertheless the products were being used by other employees, whereby he became exposed to asbestos dust and fibers.

In his complaint he states, "That each of the defendants knew, or should have known, that the chemical compounds and deleterious substances and matter in said insulation as compounded, prepared and manufactured by defendants were highly poisonous, dangerous and harmful to human beings and to the health of man and that such materials were defective and were not suitable for the purposes for which they were intended."

It is interesting to note, this statement was made in spite of the fact that in 1961, [REDACTED] doctor told him to get out of the business or quit smoking if he wanted to live. Yet today, he is still working around such exposures.

Our Claim Department learned in January of 1969, that we are involved in at least two more cases similar to the [REDACTED] case which involved three of our policyholders out of ten named defendants.

Asbestosis, lung or colon cancer claims whether comp or liability, from asbestos workers or those working with asbestos materials, are one thing, but the general public exposure and claim potential is much more serious. Noting again the public press and specifically the attached Taylors Digest, it will be seen that much publicity is, and will be given, to the exposures to which we all are subjected. When we consider the asbestos materials which are all around us in insulation, brake lining, piping, fireproofing materials, house siding, construction work, etc., it is certain we do breathe some asbestos dust, even if in minute quantities. Whether asbestos produces colon cancer or not, Doctor Selikoff has established data that seems to prove it. Further, he points out that it is possible to demonstrate the presence of asbestos fiber in the intestinal tract. He further states; "All other cancer producing substances cannot be seen by the microscope or any other way. We have many chemicals that will produce cancer, but there is no way of seeing them. Yet, this particular substance can be seen under the microscope and is permanent, its rock as you know, its a mineral, and has a half life of infinity, and once it gets into the body it can be found there 50 years later."

* Our exposure here was brought into clear focus when we were presented with the claim against Johns-Manville by the Executor of the Estate of [REDACTED] in

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October, 1968. In the complaint it is stated in part; "In the operation of its aforesaid plant in Manville, New Jersey, did knowingly, or with reason to know, caused asbestos dust and fumes to be admitted into the atmosphere and become airborne, constituting a continual invasion of the surrounding area and locality, including the resident areas of the community, so as to constitute an absolute nuisance." It further states; "During all the time mentioned herein, the decedent was obliged to inhale and absorb into her body system, the atmosphere polluted by the asbestos fumes and particles created by the Defendants as aforesaid and in 1966 became ill therefrom and required hospitalization and surgery, and ultimately died from the aforesaid exposure on June 12, 1967, from Mesothelioma caused by the aforesaid asbestos air pollution of the Defendant." One further quote from the complaint is as follows: "The Defendant knew and had reason to know of the high degree of risk of health to others and the residents in the surrounding area of the plant, including the decedent, as to the asbestos air pollution and thereby became strictly liable for the decedent's ultimate injury and death."

We understand there is another similar complaint alleging wrongful death from Mesothelioma but no services have yet been made. However, the newspapers have been playing up the problem of contaminated air in the area.

In the [redacted] case it is felt we have no chance of winning when it is litigated since it is evident that Johns-Manville had contaminated both air and water in the past. In fact a Johns-Manville attorney stated, "Confidentially Johns-Manville has been contaminating the 'Hell' out of both the air and the water for quite some time." It is apparent Johns-Manville is concerned and frightened over the implications.

We have had several discussions with Johns-Manville on this problem, both here in the home office and at their plant in Manville. Our insured is actively working to establish guide lines and to control the exposure. We have been informed by the management of Johns-Manville that they are aware of the possible hazards to humans posed by some of their products and are actively engaged in seeking means to reduce the exposure. They have set up a Health Task Force Team headed by Mr. Burnett, Vice President of Johns-Manville and comprised of representatives from the Environmental Control, Medical, Legal and Public Relations Departments. The purpose of this group is to determine what hazards are associated with any of their products and what corrective action or protection is necessary. In addition, the insured provides grants to universities and research teams to determine the effects of exposure to asbestos and mineral fiber dust on humans and the corrective action necessary to prevent associated diseases.

In addition, Doctor Selikoff has been designated program director for the Insulation Industry Hygiene Research Program. He will utilize the Environmental Sciences Laboratory of Mt. Sinai School of Medicine and will direct the investigation of exposure to insulation workers in the construction industry which will be financed by the 20,000 member International Association of Heat and Frost Insulators and Asbestos Workers and by Johns-Manville Corporation. Also, consultation and technical assistance will be provided by the Bureau of Occupational Safety and Health of the U.S. Public Health Service.

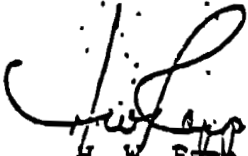
Engineering controls have been instituted at the production plants to reduce and contain asbestos from air and water. While these controls may be highly efficient, they can never hold back 100% of the contaminants. Much effort has been spent to control the exposure to insulation workers but this is an impossible task to police in the field. Workers are drawn from labor pools for short duration jobs and are not under the direct control of the contractor. They are not receptive to using *

* protective equipment, nor is it practical in many cases. Control of asbestos in the community air is impossible when you consider the contribution from brake linings, abrasion of piping, house siding or other materials widely handled by the general public.

If indeed there is at least a causal relationship of asbestos to the cited diseases, which there appears there is, then a most serious loss potential to the Travelers exists. Even with the engineering controls we have available, the exposure will continue and the long development period of the disease suggests past exposures will continue to haunt us.

* It is certain gross exposures to asbestos have existed in the past and will continue in the future, even if greatly minimized. With the publicity presently given this problem, and with the Federal involvement in pollution problems, we could find ourselves overwhelmed with claims for the variety of diseases attributable to asbestos dust.

Both Assistant Secretary Hatch, of the Claim Department, and I have additional supporting material to document the points in this memo for anyone who may have interest to follow it further.


L. W. Rapp
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Engineering Division

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Attachment

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