

**EXHIBIT 5**

THE IOME INSURANCE COMPANIES

OFFICE MEMORANDUM

Date February 11, 1976

To Executive Vice President Van Lear  
Executive - 28  
(Field Office or Home Office Department)

From Manager Brygider *RB*

At Und. Pol. Admin. - 5  
(Field Office or Home Office Department)

RE: Punitive Damage Coverage  
.....

Following are the results of a meeting on the subject in caption, reflecting a consensus of those in attendance.

It is recommended that:

1. We do not unilaterally proceed to use an exclusionary endorsement but await the results of I.S.O.'s forthcoming meeting on the matter.
2. We are to exercise whatever influence we can on the members of I.S.O.'s Liability Governing Committee and the appropriate I.S.O. staff members to come up with an exclusionary endorsement which the industry could be expected to adopt and use.
3. In the interim, institute the practice in the unsettled states of a Reservation of Rights and initiate an action for a Declaratory Judgment on a select state by state basis.

These recommendations should first, however, be reviewed by Production and Claims to determine how our current position has benefited the corporation and what these recommended changes might cost us in the future.

RB:gm

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