

DOCKET FILE COPY ORIGINAL

GTE

~~EXTENDED~~

[REDACTED]

Gail L. Polivy
Senior Attorney

GTE Service Corporation

1850 M Street, N.W., Suite 1200
Washington, D.C. 20036
(202) 463-5214

September 13, 1993

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Washington, D.C. 20554

RECEIVED

SEP 13 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: GTE Direct Case
CC Docket No. 93-162

Dear Mr. Caton:

It has come to my attention that the GTE Direct Case filed in the above-referenced proceeding on August 20, 1993 was missing Page 52. I am enclosing a copy of that page and request that it be associated with the GTE Direct Case.

I apologize for any inconvenience.

Sincerely,



Gail L. Polivy

Enclosure

cc: Tariff Division (2 copies)
International Transcription Service

OT7

SEP 13 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

important to remember that seldom is an insurance claim paid completely by the policy. Levels of deductibles vary greatly and the higher the deductible, the greater the financial obligation the customer assumes. In a self-insurance scenario, the customer is not just assuming the risk for the "deductible" but total financial risk. Small companies who might have to pay a substantial claim or multiple claims out of reserves could easily find themselves bankrupt. Acquiring insurance coverages through established insurance companies places less risk on all parties involved.

Additionally, under self-insurance, GTE would require that the interconnector sign a waiver of subrogation, to protect GTE from lawsuits or insurance claims for consequential damages, making the interconnector totally financially responsible for the loss. This waiver would provide GTE the protection in situations where the interconnector's insurance coverage is insufficient to cover the loss. GTE doubts that interconnectors would be willing to sign such a waiver.

(c) LECs that require interconnectors to use underwriters with particular rating levels should explain why these requirements are reasonable. They should also explain why their particular rating level requirements are reasonable. They should explain the differences, if any, between the rating levels of their own insurers and the rating levels they require of the interconnector's insurers.

GTE's tariffs require a Best Insurance Rating of AA-12. This annual publication rates insurance carriers based upon two standards. The alpha character(s) indicates how policyholders view the company they are doing business, with AA being higher than A+, which is higher than A, etc.

The numeric character indicates the amount of policy-holder surplus, or reserves, which the company has. The highest rating number is 15, which indicates