

**FOR IMMEDIATE RELEASE**

CONTACT:

CANDACE FRICK
SUSAN NOLAN
NCOIL National Office
(518) 449-3210

**NCOIL LEGISLATORS ADOPT ASBESTOS-REFORM RESOLUTION**

**Albany, New York, August 7, 2003**─ Legislators of the National Conference of Insurance Legislators’ (NCOIL) Property-Casualty Insurance Committee unanimously adopted a resolution calling for reform of the current asbestos-litigation system and supporting certain federal and state initiatives aimed at remedying the current approach.

The *Resolution Regarding the Need for Effective Asbestos Reform*, sponsored by Committee Chair Rep. George Keiser (ND), acknowledges the “‘elephantine mass’ of asbestos cases flooding state courts and threatening the ability of companies to compensate the truly sick.”  It calls on Congress and state legislatures to enact “properly constructed, reasonable, and balanced mechanism[s]” for funding asbestos liabilities that include provisions for the following: the ongoing, fair compensation of functionally impaired asbestos victims; a tolled statute of limitations, based on medical criteria, for unimpaired victims; the financial solvency of businesses exposed to asbestos liability; a requirement that a claimant file suit either in the jurisdiction of his asbestos exposure or in the jurisdiction of the defendant’s principal place of business; and limited consolidation of asbestos claims.

“Our resolution,” Rep. Keiser said, “will help send a message to both federal and state lawmakers that the rising tide of asbestos litigation now must end.  State legislators have an imperative to offer direction on the most reasonable mechanism for reform of the asbestos system—and that reasonable mechanism must be fair to all parties involved.”

The Committee, convened via conference call on August 5, adopted several refining amendments to the resolution prior to Committee adoption of the document.  As per the Committee’s directive, the resolution will be circulated to U.S. House and Senate leadership, as well as to state legislative leadership, as a Committee work-product prior to Executive Committee consideration at the November NCOIL Annual Meeting in Santa Fe, New Mexico.

In addition to Committee members, the call included participation from approximately one dozen interested parties.  The conference call followed consideration of the resolution at the recent NCOIL Summer Meeting, when the Committee heard testimony from experts representing a variety of interests during a two-hour hearing.

Adoption of the *Resolution Regarding the Need for Effective Asbestos Reform* follows the July passage of SB 1125, the *Fairness in Asbestos Injury Resolution (FAIR) Act of 2003*, by the U.S. Senate Judiciary Committee.  The bill, introduced by Committee Chairman Orrin Hatch (R-UT), would establish a national asbestos trust fund to pay claims for those functionally impaired as a result of their asbestos exposure and would require insurers and defendant companies to contribute, respectively, in excess of $45 million toward creation of the fund.  Among its many provisions, SB 1125 would pre-empt more generous asbestos settlements currently pending and would rely on 10 categories of physical impairment to determine appropriate compensation.  Consumer groups, labor unions, and once-supportive insurance-industry organizations now strongly oppose the bill on various grounds.

NCOIL is an organization of state legislators interested in insurance legislation and regulation.  Many legislators active in NCOIL either chair or are members of the committee responsible for insurance legislation in their respective state houses across the country.

For more information, please contact the NCOIL National Office at (518) 449-3210.

# # #

© 2003 National Conference of Insurance Legislators