



Lawsuit Reform Alliance of New York

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SUPPORT

BILL: S.2511A (BONACIC) / A.10964 (Buchwald)
SUBJECT: Truth and fairness in asbestos litigation
DATE: June 11, 2018
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Summary:

This legislation would add balance to the asbestos litigation system and create more transparency between asbestos trust claims and asbestos tort actions by compelling a plaintiff to file claims with the appropriate trusts and requiring the disclosure of all trust claims to the court. This will allow the judge and jury to have all relative information about which companies' products a plaintiff was exposed to when apportioning liability.

Why we support this legislation:

Transparency Reduces Fraud and Promotes Due Process

- A lack of transparency in the asbestos trust system has severely hindered the identification of fraudulent claims. Suspicious claims are now widespread in the trust system—a 2013 review of trust claims by the *Wall Street Journal* found thousands of inconsistencies, including over 2,000 claimants who alleged exposure from industrial jobs prior to the age of 12.¹ Following revelations of possible fraud perpetrated by plaintiff's attorneys, New York-based Garlock Sealing Technologies filed Federal racketeering suits against 5 law firms.²

Issue is More Important Than Ever

- In 2016 the New York Court of Appeals decided that companies can be held liable for asbestos they neither manufactured or sold, as long as they knew their products would inevitably be used in conjunction with asbestos.³ The decision exposes a whole new supply of New York manufacturers and retailers to asbestos liability .

Protects Resources for The Truly Injured

- The proposed legislation helps protect funds for those who truly deserve them. Fraudulent and duplicative claims steal funds that are intended to compensate the truly injured. The bankruptcy of a tort defendant or the total depletion of a trust fund compromises future victims' ability to recover compensation.

Does Not Diminish a Victim's Legal Rights

- Arguments that this legislation is intended to delay or deny compensation, advanced by those who benefit financially from the status quo, are generally without merit and recent amendments to the bill address any real concerns. Disclosure of trust claims does not prejudice plaintiffs, and are absolutely necessary to identify and eliminate fraudulent claims, helping those deserving compensation to recover.

¹ Searcey, Dionne and Barry, Rob. "As Asbestos Claims Rise, So do Worries About Fraud." *The Wall Street Journal*. 11, March 2013.

² Daneman, Matthew. "More companies seek Garlock asbestos evidence." *Democrat & Chronicle*. 12, May 2014.

³ *Matter of New York City Asbestos Litigation (Dummitt v A.W. Chesterton, et al.)*