

Asbestos-claims deal could revive legislation

By Jesse J. Holland
Associated Press

WASHINGTON - Insurers and manufacturers struck a deal yesterday with Senate Majority Leader Bill Frist to split the cost of setting up a fund to pay asbestos claims, an agreement that could revive the stalled legislation.

While the legislation cleared the Senate Judiciary Committee earlier this year, the businesses and insurance companies expected to finance the asbestos claim fund balked at the cost and how they would divide their contributions.

But at Frist's prodding, the insurers agreed yesterday to pay about \$47 billion, while the companies that have been sued would pay about \$58 billion. A \$10 billion contingency fund would also be set up by the defendants.

"While many details still remain to be worked out, clearly this is a significant and meaningful step forward between two major parties to the larger asbestos negotiations," said Frist, a Tennessee Republican.

Under the committee bill, insurers and companies each would have contributed \$45 billion to the fund.

Labor unions and trial lawyer groups have not yet signed on to the agreement. Their support would be crucial to getting the bill approved by the narrowly divided Senate, with 51 Republicans, 48 Democrats and one independent, Jim Jeffords of Vermont.

Those two groups want more money placed in the fund.

"This is certainly no improvement over the committee bill," said Carlton Carl, a spokesman for the Association of Trial Lawyers of America.

Business groups praised the developments.

"We're very positive about all of this," said Mike Baroody of the Asbestos Alliance, a group of companies facing asbestos claims. "We'll be working together in unity on the business side again."

Asbestos is a fibrous mineral commonly used until the mid-1970s for insulation and fireproofing. When inhaled, its tiny fibers can cause cancer and other ailments. The diseases often take decades to develop.

Lawmakers say asbestos liability is driving companies out of business and leaving victims with little or no money for medical bills.

A trust fund would speed money to those people and give companies assurances they would not be sued out of existence, supporters of the plan say.

In exchange for the fund, asbestos victims would give up their right to sue.