

## Unions reject deal to end asbestos claims

By Simon English in New York (Filed: 18/10/2003)

A \$114 billion fund to compensate victims of asbestos poisoning was yesterday dismissed as inadequate by lawyers and unions.

The rejection appeared to end realistic hopes of reaching a solution to a global problem that has caused suffering to many thousands of people and forced scores of companies into bankruptcy.

Insurers offered to pay \$46 billion (£28 billion) into the fund with \$57.5 billion coming from defendant companies and a further \$1.5 billion from earlier trusts.

Bill Frist, the US politician leading attempts to end asbestos lawsuits, called the fund a "significant and meaningful step forward", but his optimism was quickly quelled.

Labour leaders retorted that the proposal is a "major step backwards" because it is too small to pay compensation to all current and future victims.

Jonathan Hiatt, of the AFL-CIO union federation, said: "We'll keep an open mind but it's extremely unlikely that anything will be worked out."

The deal would require unions and lawyers to agree to stop suing insurers or asbestos manufacturers. But lawyers want an amendment that would allow them to return to court if the fund runs out of money.

Thousands of lawsuits from people who became ill from contact with asbestos, a mineral widely used for insulation in the 1970s, have pushed 78 companies into bankruptcy.

There are an estimated 400,000 people still pursuing compensation, some of whom are not yet sick but who were exposed to asbestos. Insurers complain that some of those claiming damages are ill from smoking, not asbestos.

The RAND Institute for Civil Justice claims that of the \$54 billion paid out in compensation so far, less than half went to victims, with the bulk eaten up in lawyers fees and other costs.