OCCUPATIONAL HEALTH & SAFETY LETTER

Volume 14, No. 10 | Gershon W Fishbein, Editor & Publisher | May 22, 1984
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National Place • Suite 509 • 1331 Pennsylvania Ave. N.W. • Washington, D.C. 20004 • 202/347-3868

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PLAINTIFF'S EXHIBIT AL-797

Highlights of This Issue

ASBESTOS CLAIMS CENTER TO BE SET UP FOR VOLUNTARY SETTLEMENTS:

Major asbestos manufacturers and their insurers have agreed to establish a claims center for negotiated settlements of suits by workers and families.

Significantly, Manville was not part of the agreement. By filing a bankruptcy petition, it insured itself against any future claims. The court has yet to issue a final ruling in the Manville case. Travelers Insurance Co., Manville's principal insurer, is also not part of the new center.

Workers who have handled asbestos products have filed claims against more than 85 manufacturers of those products. About 200 insurers are involved.

The Center for Public Resources in New York, and Dean Harry Wellington of Yale Law School, were instrumental in creation of the center as a means of avoiding costly litigation.

Dean Wellington has been working for the last 18 months with the Asbestos Claims Council, a group of 11 major asbestos insurers, and Lloyd's of London, as well as with asbestos companies and plaintiffs' attorneys.

It should be noted that about 95 percent of all asbestos claims are settled out of court in negotiations involving the claimant, manufacturer and insurer.

The new center is designed to capitalize on that experience. A claimant will have the opportunity to present his or her case and receive hearing and, if appropriate, an offer of an award.

However, if the claimant is not satisfied with the award, he will continue to have access to the courts for an appeal. Filing with the claims center would also avoid the question of statute of limitations encountered when suits are filed.

Under the agreement, producers' liability for unsettled claims will be based on the number and magnitude of claims they have settled. Payments by insurance companies will be based on how much coverage a company provided between a claimant's first exposure to asbestos and the diagnosis of a related illness. Special offices will be established on the east and west coasts.

"The proposed facility would provide a prompt, economical and fair alternative to costly and lengthy court resolution of thousands of asbestos-related injury claims," said the Center for Public Resources.

"The resolution of the complex disputes among companies and their insurers over the application of various insurance policies to asbestos-related claims would be provided by this negotiated framework. It also allows for the use of alternative dispute resolution procedures to handle further conflicts among companies and their insurers." Center president James F. Henry added:

ALCOA0000008691

Published twice a month. Rate: $135 U.S. per year; $255 U.S. in combination with Environmental Health Letter.
Checks and orders payable to Environews, Inc., 1331 Pennsylvania Ave. N.W., Suite 509, Washington, D.C. 20004.

"I'm extremely optimistic. Those companies and individuals involved are making a historic contribution to the development of ways to contain the high cost of litigation. In my judgment, it is applicable in other areas of major disputes, such as toxic waste torts like Agent Orange, DES and hazardous waste."

John Shea, vice president and claims counsel for Aetna, was a prime mover in establishing the center.

Frederick M. Baron, noted plaintiffs' attorney in asbestos cases, praised the new center and he, too, said it will serve as a model for handling similar toxic tort problems as they arise through the conventional tort system.

He recently told a Senate Labor committee that the insurance carriers and asbestos manufacturers have been unsure as to what triggers the duty to defend and indemnify under the language of their insuring policies. The dispute, he said, centers around the pivotal occurrence -- the time of exposure to the asbestos products, the manifestation of an asbestos disease or the discovery and diagnosis of the disease.

"The ability of the asbestos victim to resolve his underlying claim without protracted and costly litigation has been totally frustrated and virtually nonexistent because of this unresolved tension between the manufacturer and its insurance carrier," Baron said. "Moreover, uncertainty has caused a lack of uniformity in the manner in which these claims have been treated in the country."

* * * *

Meanwhile, the AFL-CIO has asked the court to create a legal committee to represent the interests of future asbestos claimants in the Manville case. The labor organization volunteered to represent a future subclass of claimants.

"Given the long latency periods from the time a worker is initially exposed to asbestos dust until the manifestation of the resulting disease, it is inevitable that many more claims will arise in the future," the AFL-CIO brief said.

"As the situation presently stands, the question whether those claims will be successfully prosecuted on behalf of a particular worker is wholly dependent upon the results that can be achieved under our tort system", it commented.

LEAD VARIANCE OF FLORIDA COMPANY TEMPORARILY SUSPENDED:

In a rare action, OSHA has suspended temporarily the six-month experimental variance from the lead standard it granted to Gulf States Lead Company in Tampa, Florida to study the effects of using a new respirator in lieu of transferring an employee from an area of high lead exposure.

OSHA declined to be specific about the reasons for suspending the variance, but it is understood that one of the four employees involved continued to have blood lead levels above the limit of 60 mg and another may have developed a kidney ailment. One OSHA source said the company has not provided the agency with all the information it required under the variance, but this could not be confirmed.

Note: OSHA has also endorsed a variance to Dan River Mills, permitting the Virginia company to exceed federal and state cotton dust standards as part of an experiment to determine the exact cause of byssinosis. A study to determine the cause will be conducted by Dr. Russell Harley of the Medical University of South Carolina and J.D. Hatcher of Clemson, to be funded by NIOSH. To conduct the study, company officials said it was necessary to keep the dust levels high temporarily. The Virginia Labor Department granted the variance, with approval from OSHA. The law firm of Marshall Coleman, former Attorney General of Virginia, now represents Dan River. R. Leonard Vance, current head of OSHA health standards, was an Assistant Attorney General under Coleman.