

## Insurers reject revised asbestos reform proposal

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WASHINGTON—Insurers rejected Friday an asbestos reform plan that had been proposed by Senate majority leader Bill Frist, R-Tenn. as part of an effort to get the legislation moving again.

Five major insurance groups on earlier this week sent Sen. Frist a letter outlining their concerns about the creation of a proposed no-fault trust fund designed to compensate victims of asbestos-related diseases. Such a fund would be created if the Fairness in Asbestos Injury Resolution Act, which received the approval of the Senate Judiciary Committee in July, becomes law (*BI*, July 14). Insurers oppose the act in its present form, in large part because it could, under a contingent funding provision, require them to provide a minimum of \$52 billion, rather than the \$45 billion contribution initially called for in the bill (*BI*, Oct. 6).

According to sources close to the negotiations, Sen. Frist's counterproposal contained, among other things, a call on insurers to pay more than \$45 billion into the fund. In return, they would be exempt from any additional contingent funding if the fund proved inadequate to meet claims, with such claims reverting to the tort system.

Insurers expect discussions to continue next week, sources said.