

Effective 5/10/2016

78B-6-2002 Legislative findings -- Purpose.

(1) The Legislature finds that:

- (a) approximately 100 employers have declared bankruptcy at least partially due to asbestos-related liability;
- (b) these bankruptcies have resulted in a search for more solvent companies by claimants, resulting in over 10,000 companies being named as asbestos defendants, including many small- and medium-sized companies, in industries that cover 85% of the United States economy;
- (c) scores of trusts have been established in asbestos-related bankruptcy proceedings to form a multi-billion dollar asbestos bankruptcy trust compensation system outside of the tort system, and new asbestos trusts continue to be formed;
- (d) asbestos claimants often seek compensation from solvent defendants in civil actions and trusts or claims facilities formed in asbestos-related bankruptcy proceedings;
- (e) there is limited coordination and transparency between these two paths to recovery, which has resulted in the suppression of evidence in asbestos actions and potential fraud; and
- (f) justice is promoted by transparency with respect to asbestos bankruptcy trust claims in civil asbestos actions.

(2) This part is enacted to:

- (a) provide transparency with respect to asbestos bankruptcy trust claims in civil asbestos actions; and
- (b) reduce the opportunity for fraud or suppression of evidence in asbestos actions.

Enacted by Chapter 385, 2016 General Session