

HOUSE BILL No. 2457

By Committee on Judiciary

1-10

1 AN ACT enacting the asbestos trust claims transparency act; providing for
2 disclosures regarding asbestos trust claims in civil asbestos actions.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. Sections 1 through 7, and amendments thereto, may be
6 cited as the asbestos trust claims transparency act.

7 Sec. 2. The following definitions apply to this act:

8 (a) "Asbestos" has the same meaning as defined in K.S.A. 2017 Supp.
9 60-4901, and amendments thereto.

10 (b) "Asbestos claim" has the same meaning as defined in K.S.A. 2017
11 Supp. 60-4901, and amendments thereto.

12 (c) "Asbestos trust" means a government-approved or court-approved
13 trust, qualified settlement fund, compensation fund or claims facility
14 created as a result of an administrative or legal action, a court-approved
15 bankruptcy, or pursuant to 11 U.S.C. § 524(g) or § 1121(a) or other
16 applicable provision of law, that is intended, in whole or in part, to provide
17 compensation to claimants arising out of, based on, or related to the health
18 effects of exposure to asbestos.

19 (d) "Plaintiff" means the person bringing the asbestos claim,
20 including a personal representative if the asbestos claim is brought by an
21 estate, or a conservator or next friend if the asbestos claim is brought on
22 behalf of a minor or legally incapacitated individual, and any person who
23 is representing the plaintiff or has a fiduciary duty to the plaintiff for the
24 action, including the plaintiff's representatives, agents, counsel and
25 assigns.

26 (e) "Trust claim materials" means all documents and information filed
27 or submitted by or on behalf of the plaintiff as part of or related to a claim
28 against an asbestos trust, including a final executed proof of claim, claim
29 forms and supplementary materials, affidavits, depositions and trial
30 testimony, work history, medical and health records, documents
31 demonstrating asbestos exposure or the health effects of exposure to
32 asbestos or the validity of a trust claim or other materials that an asbestos
33 trust requires in order to support the trust claim, documents reflecting the
34 status of a claim against an asbestos trust, and, if the trust claim has
35 settled, all documents relating to the settlement of the asbestos trust claim.

36 (f) "Trust governance documents" means all documents that relate to

1 eligibility and payment levels, including claims payment matrices, trust
2 distribution procedures, or plans for reorganization, for an asbestos trust.

3 Sec. 3. (a) Within 30 days after an asbestos claim is filed, or within
4 30 days after the effective date of this act, whichever is later, the plaintiff,
5 and any person who is representing the plaintiff or has a fiduciary duty to
6 the plaintiff with respect to the asbestos claim, shall do all of the
7 following:

8 (1) Conduct an investigation and file all asbestos trust claims that can
9 be made by the plaintiff;

10 (2) provide the court and parties with a sworn statement signed by the
11 plaintiff and the plaintiff's counsel in the asbestos claim, under penalty of
12 perjury, indicating that an investigation of asbestos trust claims has been
13 conducted by the plaintiff and any person who is representing the plaintiff
14 or has a fiduciary duty to the plaintiff with respect to the asbestos claim,
15 and further indicating that all asbestos trust claims that can be made by the
16 plaintiff or on the plaintiff's behalf have been completed and filed. A
17 deferral or placeholder claim that has missing documentation for the
18 asbestos trust to review and pay the claim does not meet the requirements
19 of this section. The sworn statement must indicate whether there has been
20 a request to delay, suspend, withdraw or otherwise alter the standing of an
21 asbestos trust claim and provide the status and disposition of each asbestos
22 trust claim, including the amount of any trust claim payment made or to be
23 made to the plaintiff;

24 (3) provide all parties with all trust claim materials, including trust
25 claim materials that relate to conditions other than those that are the basis
26 for the asbestos claim and all trust claim materials from all law firms
27 connected to the plaintiff in relation to exposure to asbestos, including
28 anyone at a law firm or any fiduciaries involved in the asbestos claim, any
29 referring law firm, and any other firm or fiduciary that has filed an
30 asbestos trust claim for the plaintiff or on the plaintiff's behalf. Documents
31 shall be accompanied by a custodial affidavit from the asbestos trust
32 certifying that the trust claim materials submitted to the defendants are true
33 and complete; and

34 (4) if the plaintiff's asbestos trust claim is based on exposure to
35 asbestos through another individual, the plaintiff shall produce all trust
36 claim materials submitted by or on behalf of the other individual to any
37 asbestos trust if the plaintiff is in possession, control or custody of those
38 trust claim materials, or if the plaintiff, plaintiff's counsel or any of the
39 plaintiff's fiduciaries are legally entitled to obtain those trust claim
40 materials.

41 (b) The plaintiff has a continuing duty to supplement the information
42 and materials required under subsection (a), and the supplementation shall
43 be made within 30 days after the plaintiff or a person on the plaintiff's

1 behalf supplements an existing asbestos trust claim, receives additional
2 information or materials related to an asbestos trust claim, or files an
3 additional asbestos trust claim. The requirements of this section are in
4 addition to any notice or materials to be served or produced as part of
5 discovery and under any other law, rule, order or applicable agreement.

6 (c) The court may dismiss the asbestos claim if the plaintiff fails to
7 comply with this section.

8 Sec. 4. (a) A defendant may file a motion requesting a stay of the
9 asbestos claim on or before the 60th day before the date the trial in the
10 action is set to commence. The motion shall identify the asbestos trust
11 claims the defendant believes the plaintiff can file and include information
12 supporting the asbestos trust claims.

13 (b) Within 10 days after receiving the defendant's motion, the plaintiff
14 shall:

15 (1) File the asbestos trust claims;

16 (2) file a written response with the court stating why there is
17 insufficient evidence for the plaintiff to file the asbestos trust claims; or

18 (3) file a written response with the court requesting a determination
19 that the cost to file the asbestos trust claims exceeds the plaintiff's
20 reasonably anticipated recovery.

21 (c) (1) If the court determines that there is a sufficient basis for the
22 plaintiff to file an asbestos trust claim identified in the motion to stay, the
23 court shall stay the asbestos claim until the plaintiff files the asbestos trust
24 claim and produces all related trust claim materials.

25 (2) If the court determines that the cost of submitting an asbestos trust
26 claim exceeds the plaintiff's reasonably anticipated recovery, the court
27 shall stay the asbestos claim until the plaintiff files with the court and
28 provides all parties with a verified statement of the plaintiff's history of
29 exposure, usage or other connection to asbestos covered by that asbestos
30 trust.

31 (d) An asbestos claim may not be set for trial until at least 60 days
32 after the plaintiff provides the documentation required by this section.

33 Sec. 5. (a) Trust claim materials and trust governance documents are
34 presumed to be relevant and authentic, and are admissible in evidence in
35 an asbestos claim. A claim of privilege does not apply to any trust claim
36 materials or trust governance documents.

37 (b) A defendant in an asbestos claim may seek discovery from an
38 asbestos trust. The plaintiff may not claim privilege or confidentiality to
39 bar discovery and shall provide consent or other expression of permission
40 that may be required by the asbestos trust to release information and
41 materials sought by a defendant.

42 (c) Trust claim materials that are sufficient to entitle a claim to
43 consideration for payment under the applicable trust governance

1 documents may be sufficient to support a jury finding that the plaintiff was
2 exposed to products for which the trust was established to provide
3 compensation and that such exposure was a substantial contributing factor
4 in causing the plaintiff's injury that is at issue in the asbestos claim.

5 Sec. 6. (a) If the plaintiff or a person on the plaintiff's behalf files an
6 asbestos trust claim after the plaintiff obtains a judgment in an asbestos
7 claim, and that asbestos trust was in existence at the time the plaintiff
8 obtained the judgment, the trial court, on motion by a defendant or
9 judgment debtor seeking sanctions or other relief, has jurisdiction to
10 reopen the judgment in the asbestos claim and adjust the judgment by the
11 amount of any subsequent asbestos trust payments obtained by the plaintiff
12 and order any other relief to the parties that the court considers just and
13 proper.

14 (b) A defendant or judgment debtor shall file any motion under this
15 section within a reasonable time and not more than one year after the
16 judgment was entered.

17 Sec. 7. This act shall apply to all asbestos claims filed on or after July
18 1, 2018. This act shall also apply to any pending asbestos claims in which
19 trial has not commenced as of July 1, 2018.

20 Sec. 8. This act shall take effect and be in force from and after its
21 publication in the statute book.