

# AB 1056: Transparency in Claims Act

## Study Finds Reform Necessary to Protect Trust Assets for Future Victims

A 2015 study found that “Asbestos bankruptcy trust funds are intended to pay initial and future claims in an equitable manner decades into the future.”

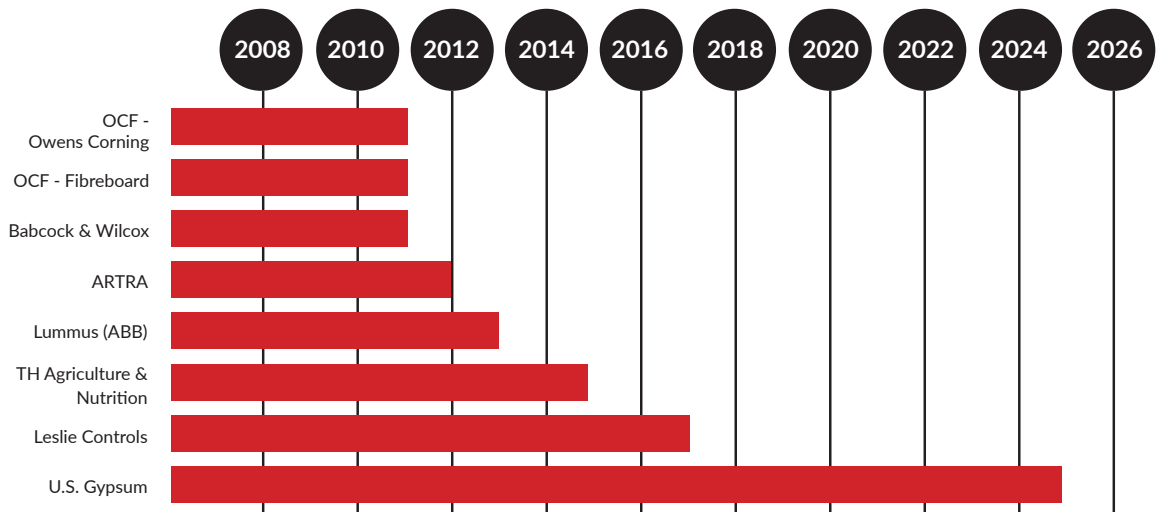
Some lawyers are gaming the system and draining available resources - rapidly depleting many of the country’s largest asbestos trust funds now.

Asbestos trusts are reducing their net payouts to individual claimants to remain solvent: **“Due to the accelerated depletion of funds, many asbestos trust claimants receive only half as much today as compared to ... just six years ago.”**



Because the system is being gamed, trusts are being prematurely depleted. If many asbestos trust funds continued to pay claimants the initial payment percentage rather than a reduced payment, they would be bankrupt today:

Year of Estimated Trust Insolvency Under Each Initial Payment Percentage\*



\*Trusts that began processing claims in 2006 or later

The study concludes: “Continued inequitable treatment of current and future claimants necessitates a change in the procedures governing these trusts, and at the very least **requires a greater level of trust operational transparency.**”

For more information:  
 Mike Belote 916-441-5050 or  
 Kim Stone 916-798-1878 or  
 Civil Justice Association of California  
[protectcatrusts.com](http://protectcatrusts.com)

# Yes on AB 1056