

Adam R. Shores Senior Vice President, State Government Relations

May 1, 2023

The Honorable Bob Hackett Chair, Senate Insurance Committee The Ohio Senate 1 Capitol Square Columbus, OH 43215

Dear Mr. Chairman,

As the primary national trade association for home, auto and business insurers across the country, the American Property Casualty Insurance Association (APCIA) is pleased to add its voice to those advocating for the adoption of Senate Bill 63 sponsored by Senator George Lang. This measure would take a significant step forward in addressing the practice of over-naming in asbestos litigation by ensuring that the proper defendants are being sued in asbestos cases.

APCIA supports reforming asbestos litigation practices to ensure appropriate compensation to deserving claimants, and to limit unfair claims against U.S. businesses. Widespread fraud and abuse hurt legitimately injured claimants and damages innocent businesses and the workers who rely on them. Claimants in some instances file wide ranging, broad and baseless allegations, often against multiple businesses, many of which are ultimately unconnected to a case.

The economic damage from asbestos litigation fraud and abuse is well documented. In 2020, more than 11,000 company defendants were named in asbestos complaints, with the average complaint naming 67 defendants. Hundreds of American businesses have sought bankruptcy protection, costing thousands of jobs.

APCIA supports reforms ensuring that only legitimate claims are brought and preventing inconsistent claims from being asserted in civil courts and bankruptcy trust proceedings. These reforms have been adopted by many states and improve the administration of claims without limiting access to the courts.

Over-naming in asbestos cases causes innocent defendants to answer baseless allegations and squander resources in seeking dismissal from cases they should never have been named in. This practice causes them to spend months or years and huge sums defending against fishing expeditions, while raising the likelihood they will be named in future cases. It also creates the potential for significant case backlogs. To curb some of the worst forms of abuse and fraud in asbestos litigation, Ohio should enact Senate Bill 63 and join other states such as Iowa and West Virginia, which have adopted legislation requiring that plaintiffs include specific allegations in their pleadings against businesses.

We greatly appreciate your consideration of our perspective. Please contact me directly at 847-553-3678 or via email at <u>adam.shores@apci.org</u> or APCIA's Ohio counsel, Steve Buehrer at 614-365-4107 or via email at <u>buehrer@carpenterlipps.com</u> with any questions. Thank you.

Sincerely,

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Adam R. Shores