



March 17, 2021

Chairman Klein and Members of the Senate Industry, Business and Labor Committee

ND HB 1207

Asbestos Reform

The American Property Casualty Insurance Association (APCIA) is composed of over 1,200 member companies and 330 insurance groups and represents the broadest cross-section of home, auto, and business insurers of any national insurance trade association. In North Dakota, APCIA member insurers provide almost 69 percent of all the insurance purchased by the state's citizens and businesses.

We urge support for HB 1207.

HB 1207 contains several important asbestos law reforms:

This important legislation gives priority to asbestos plaintiffs who can demonstrate impairment according to objective criteria utilized by the medical community. This particular approach has been enacted in ten states to date and has also been adopted by specific courts in major asbestos filing jurisdictions such as Chicago, New York City, Boston, and Baltimore.

HB 1207 also helps to ensure that plaintiffs with actual impairment are suing the proper defendants with an actual connection to the plaintiff. Iowa passed a similar law last year.

HB 1207 will also help ensure that asbestos trials are both efficient and fair by allowing courts to consolidate for trial only asbestos actions relating to the exposed person and members of that person's household.

HB 1207 also enacts a legal doctrine called the "bare metal" defense, which holds that a manufacturer or seller of a product, such as a pump, is not liable for later-added external thermal insulation or replacement internal components, such as gaskets, made or sold by a third party.

Finally, this legislation changes North Dakota's existing innocent seller liability reform statute to permit a seller to obtain dismissal when the seller has simply been part of the chain of distribution of a product and has not itself acted negligently.

We urge your support of HB 1207.

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