



News

Scott Seaman Discusses Insurance Carrier Concerns Associated with Johns-Manville Asbestos Liability Trusts

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Scott Seaman, Hinshaw partner and Chicago-based co-chair of Hinshaw's Global Insurance Services Practice Group, discussed the distortion and abuses often associated with 524(g) *aka* Johns-Manville asbestos liability trusts created as part of negotiated bankruptcy plans in a recent *Law360 Insurance Authority* article, "Asbestos Trusts May Leave Insurers Out in Cold."

Seaman noted that settlement negotiations during bankruptcy flip the script on how debtor liability is typically resolved, with the debtor-policyholder and asbestos claimants working together to reach a resolution. The resulting absence of a carrier's input means that "many believe 524(g) has been turned into a superhighway for proliferating the abuses associated with asbestos tort claims." Insurers thus have an interest in "ensuring that the [trust distribution procedures or TDPs] are satisfactory."

Where the plan is neutral on insurance issues and the TDPs are acceptable, Seaman said insurers may sign on to obtain the benefit of channeling injunctions and broad releases.

[Read the full article](#) (*subscription required*)

"Asbestos Trusts May Leave Insurers Out in Cold" was published by *Law360 Insurance Authority* on August 26, 2022.

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