

WTC Captive Reaches Settlement of 9/11 Rescue and Debris Removal Claims

(New York, New York – March 11, 2010) The WTC Captive Insurance Company (“WTC Captive”) announced a settlement has been reached with attorneys for over 10,000 plaintiffs claiming injuries related to the rescue, recovery and debris removal operations following the 9/11 terrorist attacks.

“We have reached a settlement that is fair under difficult and complicated circumstances,” said Christine LaSala, President of WTC Captive. “This agreement enables workers and volunteers claiming injury from the WTC site operations to obtain compensation commensurate with the nature of their injuries and the strength of their claims, while offering added protection against possible future illness. WTC Captive acknowledges the hard work and diligence of Judge Alvin K. Hellerstein and his Special Masters in overseeing this litigation, and the preparation of an injury severity chart that assisted the parties in their negotiation and created a foundation for settlement.”

The WTC Captive was created with a \$1 billion FEMA grant to insure the City of New York and its debris removal contractors because in the aftermath of 9/11 the City of New York was unable to procure an adequate amount of liability insurance coverage in the commercial insurance market for the World Trade Center site rescue, recovery and debris removal work.

The settlement provides a system for paying compensation for those claims of injuries made by people working on these operations for the City and its contractors, including construction, fire, police and other workers and volunteers.

“The resolution of the World Trade Center litigation will allow the first responders and workers to be compensated for injuries suffered following their work at Ground Zero,” said Mayor Michael R. Bloomberg. “This settlement is a fair and reasonable resolution to a complex set of circumstances. Since September 11th, the City has moved aggressively to provide medical treatment to those who were present at Ground Zero, and we will continue our commitment to treatment and monitoring.”

The settlement will cost the federal-taxpayer funded WTC Captive \$575 million at 95% plaintiff participation, or up to \$657 million under certain conditions, leaving residual funds to insure and defend the City and its contractors against any new claims. There could be additional sums depending upon the level of plaintiff participation and the extent of new lawsuits filed in the future. If there are few lawsuits filed in the next five years, there may be more money for current plaintiffs.

“This settlement is faithful to our mandate to protect the City and its contractors from liability in connection with their heroic efforts in the rescue, recovery and debris removal work that followed the terrorist attack on the World Trade Center on 9/11. Balanced against that is our desire to find a pathway to a just solution for the over 10,000 people who have filed lawsuits,” LaSala said.

To recover under the settlement, each plaintiff will have to submit proof that he or she was present and participated in the rescue, recovery and debris removal operations, as well as

specific medical documentation and a physician's diagnosis confirming their claimed illness or injury. All of this information must be submitted by plaintiffs under oath and will be subject to audit. Attorneys for the plaintiffs and WTC Captive will choose an independent third party expert to review each claim and the required medical documentation, further protecting against mistakes or fraud.

In addition to compensation for proven injuries, ranging from thousands of dollars to payments in excess of a million dollars, this settlement also funds a special insurance policy to provide additional compensation to any plaintiff contracting certain kinds of cancer in the future.

Plaintiffs will have 90 days to review the settlement and "opt in," by agreeing to the terms of the agreement, which includes a release of any future claims against the City and its contractors involved in the 9/11 rescue, recovery and debris removal operations. The agreement with plaintiffs' attorneys requires that 95% of the plaintiffs bringing claims against the City and its contractors, covered by WTC Captive, "opt in" or agree to the settlement.

Attorneys for the City, its contractors and the plaintiffs moved today for a stay, or suspension, of the over 10,000 cases currently proceeding to trial under Judge Alvin K. Hellerstein in New York District Court for the Southern District of New York. This settlement only involves the defendants in those cases who were insured by the WTC Captive Insurance Company, namely the City and its contractors, and not other private or public entities named in those lawsuits.

"While we believe we have fairly and accurately valued the claims against the City and its contractors, this settlement does not include all defendants named in these suits," LaSala said. "It will be up to the plaintiffs and the other defendants in these cases as to how they proceed, but this agreement does present a just pathway for the plaintiffs to use as a basis of settlement which may provide additional monetary compensation from those defendants not insured by the WTC Captive Insurance Company."

Individuals who worked or volunteered in the World Trade Center rescue, recovery and debris removal project have been entitled to and have received free medical care, including monitoring, funded by the City of New York and the federal government.. Nothing in the settlement affects plaintiffs' access to this care.

About the WTC Captive Insurance Company:

In the absence of commercially available insurance, the WTC Captive Insurance was formed in July 2004 to insure the City of New York and nearly 140 contractors, subcontractors and others it engaged against claims arising out of the debris removal process that began immediately after the collapse of the twin towers of the World Trade Center on September 11, 2001. The mission of the WTC Captive is to insure and defend in court, and thereby to protect, the City and the contractor and subcontractor policyholders as claims are processed, adjudicated and resolved.

Organized as a not-for-profit corporation under the laws of the State of New York and licensed by the New York State Insurance Department, the Captive is governed by a five-

member Board of Directors composed of current and former City officials plus a representative of the City's lead contractors.

The WTC Captive was funded with just under \$1 billion in federal funds provided through a grant from the Federal Emergency Management Agency (FEMA)—part of the \$20 billion of such funds requested by the Administration and authorized by Congress to help New York City and its people recover and rebuild after 9/11.

Media Contacts

212-547-5505

Eileen O'Connor, McDermott Will & Emery LLP
emoconnor@mwe.com

Caroline Gentile, Kekst and Company
caroline-gentile@kekst.com

Micheline Tang, Kekst and Company
micheline-tang@kekst.com