

Joint House/Senate Subcommittee on Claims

Tuesday, January 22, 2008

12:30 p.m. - Capitol 112

In Attendance

Senator Ron Latz
Representative Dennis Ozment
Representative Diane Loeffler
Senator David Hann
Senator Rick Olseen

Excused

Representative Tom Anzelc

Call to Order by Chair, Senator Ron Latz at 12:58 p.m.

A quorum was present.

- I. Approval of the Minutes from the Nov. 29, 2007 meeting

Senator David Hann moved to approve the minutes.
Minutes were approved

- II. 35W Bridge Collapse Discussion

Senator Latz gave a brief over view of the agenda today and the plains of the committee.

MN Department of Administration – Tom Chukel

Mr Chukel discussed the appropriation to the Emergency Hardship fund and how the Department of Administration has gone about contacting all the individuals. Distributions of 171 applications started the first week of December. The department recieved claims in the begining of January and they have disbursed only a small portion of the fund.

Mr. Chukel added that the department has received 120 notices of general claims against the State regarding the bridge collapse.

Waite House – Francisco Sergovia, Director & Julie Graves, Youth Manager

Francisco Sergovia took this opportunity to explain how Waite House is coping with the aftermath of the collapse. He reported that 35% of people on the bridge were from Waite House, this includes 30 families (62 kids). He also mentioned that 50% of the families

don't have auto insurance, so they didn't have access to help with medical bills. At this time the parents are not able to access the Emergency Hardship Fund.

Julie Graves, youth manager, gave a report on how the children are doing. She talked about all of the obstacles the children have to overcome to begin with and then the bridge collapse just made it worse. The parents are having a very hard time recouping the lost wages for bringing their children to the necessary doctor's appointments.

Senate Counsel, Fiscal & Research – Peter Wattson, Kathy Pontius, Matt Massman
Kathy Pontius went over what is generally covered for personal injury under Tort Claims. One of the options to help with the lost wages of the parents is to recover the cost of caretaking of the injured person. She discussed personal injury, physical injury, mental trauma and wrongful death claims in regards to tort law.

Matt Massman gave a brief update on the fiscal nature of the claims submitted to the agency so far. Mr. Massman believes that these estimates are very low.

Jim Schwebel – attorney for some of the survivors. Mr. Schwebel states that there is language that can be added to the legislation that takes subrogation ability away from the car insurance companies. It does not usually pertain to the Federal ERISA law and health insurance. Mr. Schwebel does believe that the language should still be attached and left up to legal representation to argue.

Peter Wattson briefly went through a list of questions that will be before the committee while they discuss the options in dealing with the survivors of the I-35W bridge collapse. There was discussion around liability caps and the setting of precedent if you amend Minn. Stat. 3.736. There was discussion around the term catastrophe, special treatment and limiting exposure. Mr. Wattson discussed on how any property that is owned by the state would be open to exposure and liability if disasters or accidents happen. Mr. Wattson also covered the potential costs of those injured. The NTSB report mentioned 145 people injured while the state has been looking at just over 100.

Mr. Massman discussed the financial impact to the state to compensate survivors.

Discussion of options to the State of Minnesota regarding claims arising from the I-35W Bridge Collapse.

Representative Ryan Winkler's bill

Representative Ryan Winkler introduced his bill entitled Catastrophe Survivor Compensation and answered questions. Mr. Winkler mentions that the appropriation line is blank and that the bill includes a grant to Waite House. The bill is split into two articles. Article I addresses future catastrophes both man-made and natural disasters that the State may face and give them a mechanism to appropriate money. Article II address the I-35W Bridge survivors and victims.

Representative Ozment took the gavel:

Senator Ron Latz's proposal

Senator Ron Latz presented his proposal to the subcommittee. He stressed that whatever is done, needs to be done carefully as to not set precedents and keeps in mind the responsibility to the victims/survivors as well as the State and the taxpayers of Minnesota. Sen. Latz's proposal lifts the \$1 million cap and proposes \$400,000 cap per individual. This fund would be administered through a third party, adopted by Rep. Winkler's bill. Persons accepting compensation from this fund would waive any and all claims against the State of Minnesota for damages arising out of the bridge collapse and would cooperate with the State in pursuing any claims that State may have against any other parties. Existing statutes relating to collateral source offsets for tort settlements with the state of Minnesota would apply. The amount of the appropriation is to be determined.

Chris Messerly – lawyer with Robins, Kaplan, Miller & Ciresi

Mr. Messerly answered questions on subrogation and talked about his concerns with the payments under ERISA law. State law allows people to be fully compensated before insurance companies can get their money back, but he says that the Federal law still applies.

Representative Ozment relinquished the gavel to Senator Latz. Senator Latz discussed futhur meetings of the claims committee and it was concluded that future meetings would deal with the regular business of the Claims Committee.

Sen. Latz motioned for adjournment at 4:55 p.m.

Meeting was adjourned.

Respectfully submitted,



Representative Dennis Ozment, Chair
Joint House/Senate Subcommittee on Claims



Senator Ron Latz, Chair
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