

TAKATA AIRBAG INJURY TRUST
TRUSTEE

**TAKATA EXPLOSIVE AIRBAG VICTIMS SUFFER AGAIN AT THE HANDS OF
JAPANESE INSURER**

[Wilmington (Delaware, USA) August 20, 2020 PR Newswire = The Takata Tort Compensation Trust Fund has taken legal action against one of Takata's Japanese insurance companies, Tokio Marine & Nichido Fire Insurance Co., Ltd., to enforce Takata's Chapter 11 Plan of Reorganization and Confirmation Order and recover money for hundreds of US victims injured or killed by Takata's defective exploding airbag inflators. The motion marks the first legal action by the Trust against Takata's Japan-based insurers in connection with Takata's defective airbag inflators.

The motion, filed in the bankruptcy proceedings of Takata Corporation's U.S.-based subsidiaries, asserts that Tokio, which issued products liability policies insuring Takata pre-bankruptcy, has repudiated the Delaware Bankruptcy Court Plan's transfer of Takata's rights under those policies to the Trust solely to avoid its coverage obligations and reap a windfall from Takata's bankruptcy. Tokio was paid millions of dollars in premiums by the defunct airbag manufacturer before it pleaded guilty to federal criminal charges and filed for bankruptcy, and the Trust's motion asserts that the insurance proceeds are supposed to be there to compensate Takata's personal injury and wrongful death victims.

As detailed in the motion, the Plan established the Trust to process and pay claims of victims who were injured or killed by airbags manufactured and sold by Takata. The Plan contemplated that the Trust would be funded, potentially in large part, by the rights and proceeds of Takata's products liability insurance policies. Accordingly, the Plan transferred Takata's rights under all policies potentially applicable to the victims' claims to the Trust as of the Plan's effective date.

The insurance rights transfer provision was the product of intense negotiations by Takata and its victims to reach swift resolution of a large and complex bankruptcy and to ensure that victims received prompt and reasonable compensation. Upon confirmation of the Plan in February 2017, the judge presiding over the bankruptcy proceedings praised the efforts of everyone involved, noting the amount of work necessary to reach a largely consensual agreement in such a complex case so quickly.

Due to the Trust's limited existing assets to pay claims, to date the victims of Takata's products have recovered only a fraction of the value of their claims. Tokio has now asserted, to the victims' detriment, that it has no obligations to provide coverage for the claims under its policies—despite the fact that Tokio had been paying for such claims against Takata prior to the bankruptcy.

In its motion filed earlier today, the Trust asks the Bankruptcy Court to order Tokio to comply with the Plan's insurance rights transfer provision by acknowledging that the Trust is the holder of Takata's rights under the Tokio policies, and to sanction Tokio for its violation of the Court's Order, including reimbursing the Trust for the legal costs of making the motion.

Professor Eric D. Green, The Trustee of the Takata Airbag Tort Compensation Trust Fund, reported that the Trust was forced to take this legal action “because of Tokio’s absolute refusal to abide by the express assignment of insurance rights to the Trust under the bankruptcy plan.” “Takata’s reckless behavior in making this timebomb and putting it in people’s cars as a supposed safety device was bad enough,” Professor Green said, “but now, adding insult to injury, Takata’s Japanese insurer is refusing to honor its obligations under its policies and as ordered by the Bankruptcy Court. It is a dishonorable and surprising attack on these victims in the United States who have been wounded and maimed by Tokio’s insured’s conduct. We will fight to make things right,” Professor Green said.

The Takata Tort Compensation Trust Fund is represented in the matter by Gilbert LLP, as lead counsel, and Brown Rudnick LLP as co-counsel.

Counsel for the Trust:
Kami Quinn
Gilbert LLP
700 Pennsylvania Avenue, SE
Suite 400
Washington, DC 20003
quinnk@gilbertlegal.com
(202) 772-2200

--

David J. Molton
Brown Rudnick LLP
Seven Times Square
New York, NY 10019
dmolton@brownrudnick.com