

NEW YORK POST

BLOOMBERG BACKS 9/11 INSURANCE FUND AMID FUROR

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July 18, 2007 -- Mayor Bloomberg yesterday defended a \$1 billion World Trade Center insurance fund accused of stalling on compensation to 9/11 workers, saying Congress set it up to pay out only if a cleanup victim successfully sues the city.

But several New York members of Congress quickly jumped on the mayor's comments, insisting he is wrong - and that the city-run WTC Captive Insurance Company has the freedom to settle all valid claims from Ground Zero workers as quickly as possible.

The Post reported that the fund - and its Bloomberg-appointed managers - are being sued for allegedly violating its mandate to pay legitimate claims from injured 9/11 responders.

Captive has so far paid just \$45,000 while spending \$74 million on overhead.

Bloomberg insisted the \$74 million is justified, saying Captive is hamstrung.

"The truth of the matter is Congress didn't set up a victims compensation fund," Bloomberg said.

"They've set up a captive insurance company. And the insurance company can only pay out money if somebody sues us in court and wins a judgment against us."

David Worby, a lawyer for the WTC workers who filed the suit, called Bloomberg's rationale "preposterous."

"Insurance companies are supposed to pay just claims. If you run someone over in your car and Allstate is your company, Allstate doesn't have to wait for a lawsuit to pay," Worby said.

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