

SULZER SETTLEMENT TRUST CLAIMS ADMINISTRATOR PROCEDURE			
CAP No.	16	Effective Date	December 2, 2002
Subject	Claims by Lien Filers Asserting a Lien Against Class Members' Settlement Benefits		

1. **Purpose.** The Class Action Settlement Agreement in *In re Sulzer Hip Prosthesis and Knee Prosthesis Product Liability Litigation* ("Settlement Agreement") states that "The Claims Administrator shall use all reasonable efforts to make payments to Class Members as early as possible pursuant to guidelines approved by the Court with input from Class Counsel and the State Special Counsel Committee." [S.A. § 4.6(i)]. This Claims Administrator Procedure ("CAP") clarifies the process for processing Class Members Claims for Settlement benefits when any person attempts to enforce a lien, other than for medical expenses incident to an Affected Product Revision Surgery ("Lien Filer"), against a Class Member's Settlement benefits. Capitalized terms not otherwise defined in this CAP shall have the meanings given them in the Settlement Agreement.

2. **Upon Receipt of Lien on Benefits of Class Member Who Has Not Registered for Settlement Benefits.** If a Lien Filer attempts to assert a lien on a Claim for Settlement benefits, and the affected Class Member has not attempted to make a Claim for Settlement benefits, the Claims Administrator shall appropriately inventory the lien and take no further action with regard to the lien until such time as the affected Class Member shall make a Claim for Settlement benefits.

3. **Upon Receipt of Lien on Benefits of Class Member Who Has Registered for Settlement Benefits.** If a Lien Filer attempts to assert a lien on a Claim for the Settlement benefits of a Class Member who has registered for Settlement benefits, the Claims Administrator shall send a copy of the lien notice to the Class Member and reply to the Lien Filer that it should, before prosecuting the lien, submit its request for payment to an appropriate insurance carrier. If the Lien Filer insists upon prosecuting a lien against a Class Member's benefits, the Claims Administrator shall solicit from the Class Member whether the Claims Administrator should debit the amount of the Lien Filer's lien from the Class Member's benefit award, if any. If the Class Member gives approval, in writing, to debit his or her award in the amount of the lien, and in favor of the Lien Filer, the Claims Administrator shall do so.

4. **Lien Filed Against Benefits of Uninsured Class Member Who Has Submitted Red Form.** If a lien has been asserted against the Settlement benefits of an Uninsured Affected Product Recipient who has already submitted a Red Form seeking benefits from the Uninsured and Subrogation Expenses Sub-Fund, the Claims Administrator shall solicit from the Class Member whether the Class Member desires that his or her Red Form Claim be supplemented to include a request for payment of the asserted lien.

5. **Benefit Payment Held in Abeyance Pending Resolution of Lien.** The Claims Administrator shall not issue payment to any person in connection with Class Member's Claim until such time as (i) the Lien Filer and Class Member agree, within 60 days of the notice

required in Paragraph 3 of this CAP, the disposition and validity of the lien, which disposition may include the Lien Filer's abandonment of the lien; or (ii) the Court enters an order resolving the proper disposition of the Lien. To obtain such an Order, the Claims Administrator shall, if the conditions in (i) of this Paragraph are not met, file with the Court a Motion for Determination of Settlement Rights pursuant to Section 9.1 of the Settlement Agreement.

6. Duration of this CAP. This CAP shall apply to all Claims processed or paid after the Effective Date stated above and shall terminate upon the earlier of: (i) cancellation or modification of this CAP by the Claims Administrator; or (ii) an order of the Court canceling or modifying the terms of this CAP.

APPROVED:

CLAIMS ADMINISTRATOR

By: _____


(signature)

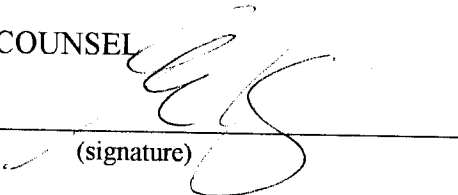
Name: James J. McMonagle

Date: _____

11-27-02

CLASS COUNSEL

By: _____


(signature)

Name: R. Eric Kennedy

Date: _____

12-2-02