

Current Litigation Trends that are Impacting Asbestos Plaintiffs, Defendants, & Insurers

Charles E. Bates, PhD

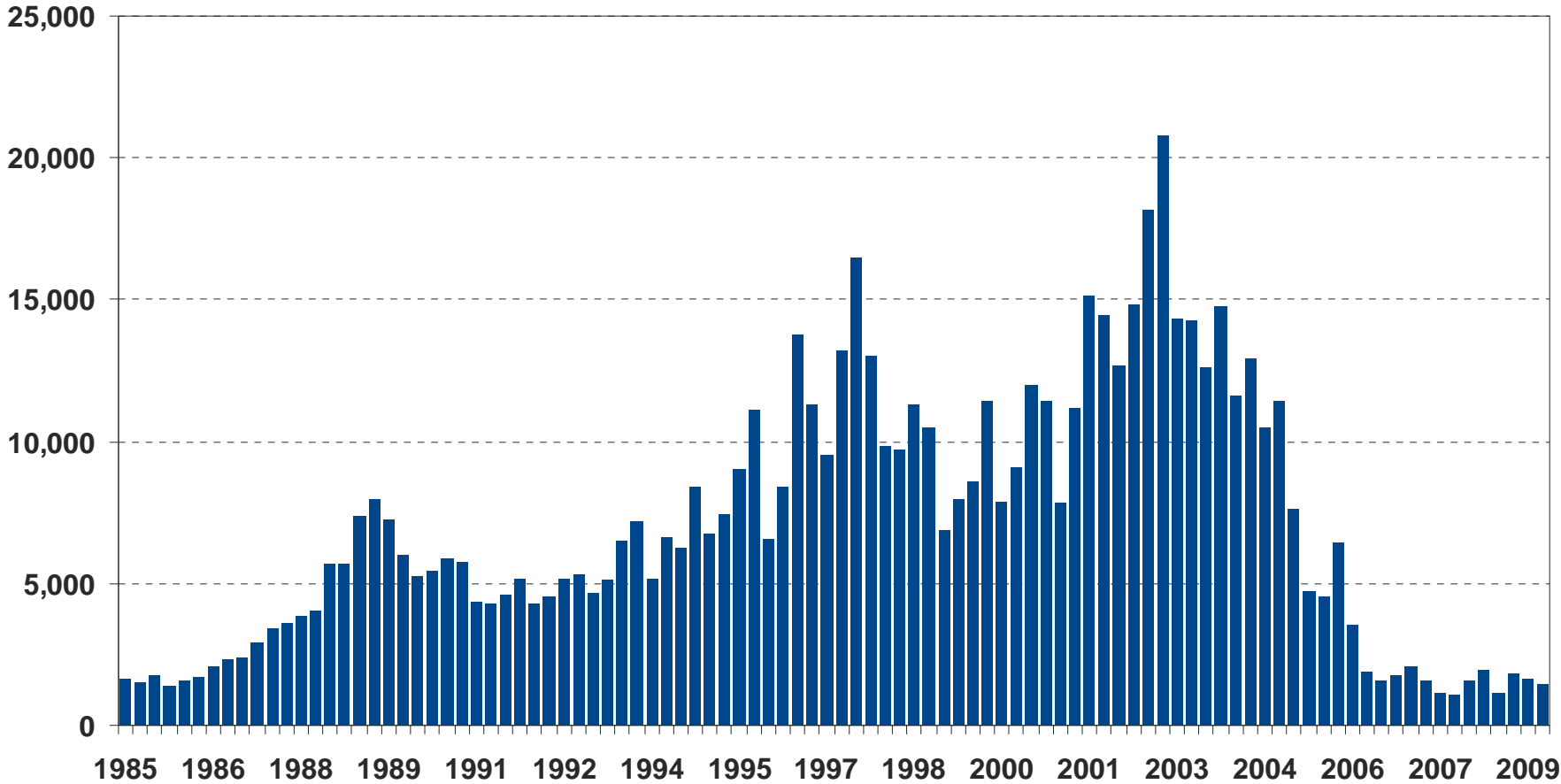
Perrin Asbestos Litigation Conference

San Francisco, CA

September 14-16, 2009

Update on U.S. asbestos tort filings

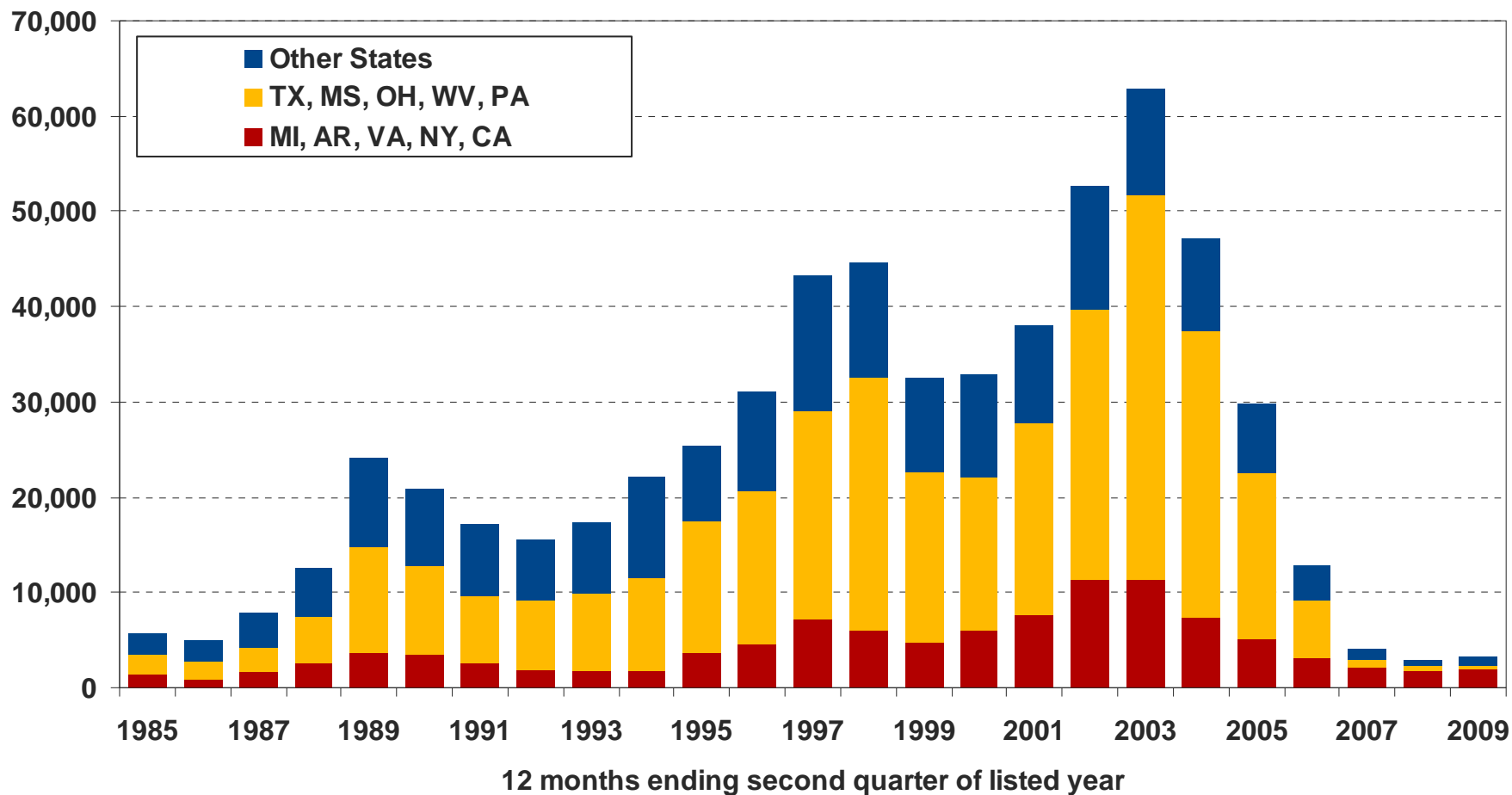
U.S. asbestos tort filings by quarter through June 2009



Source: Bates White

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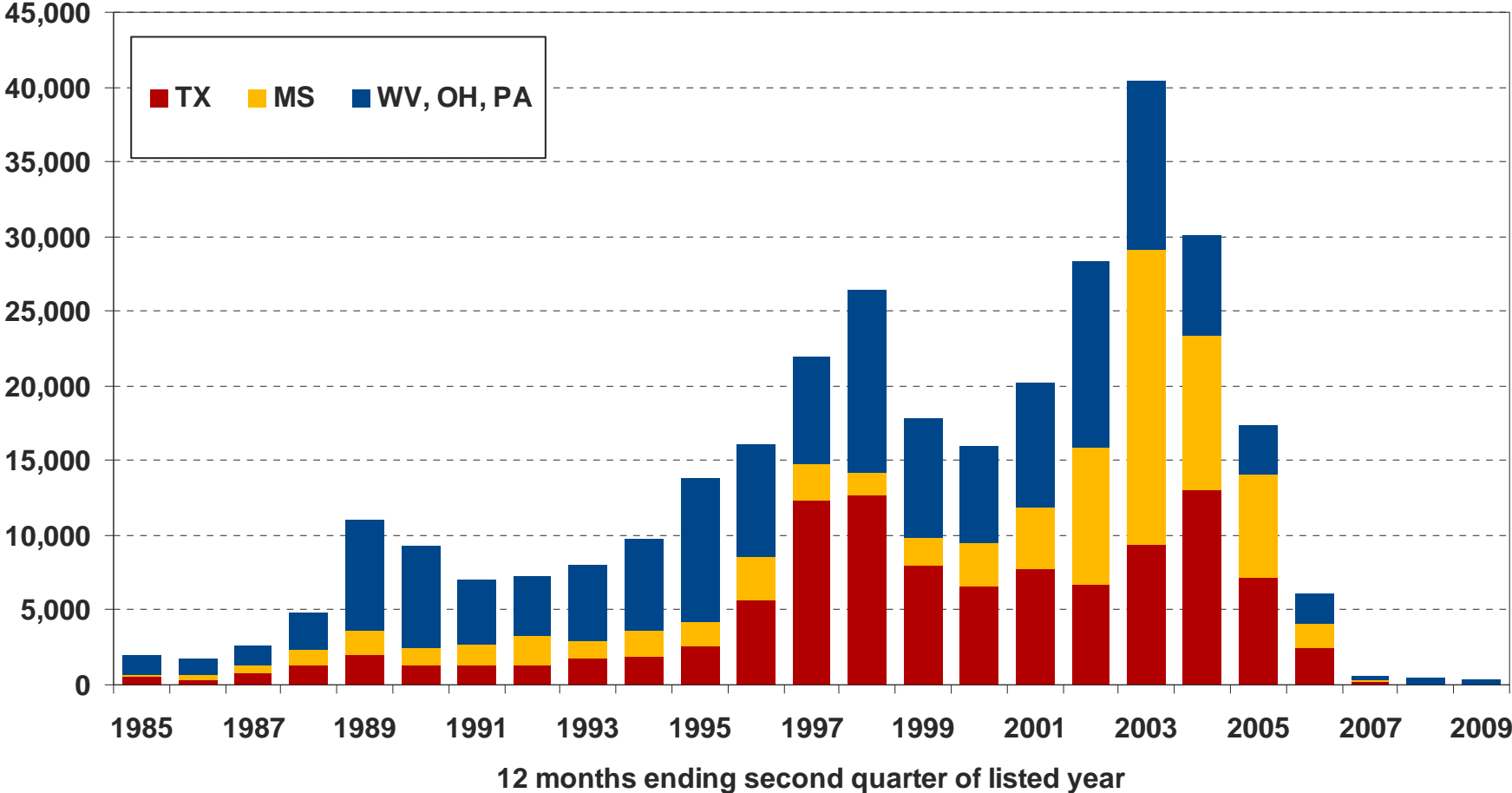
Annual U.S. nonmalignant tort filings



Source: Bates White

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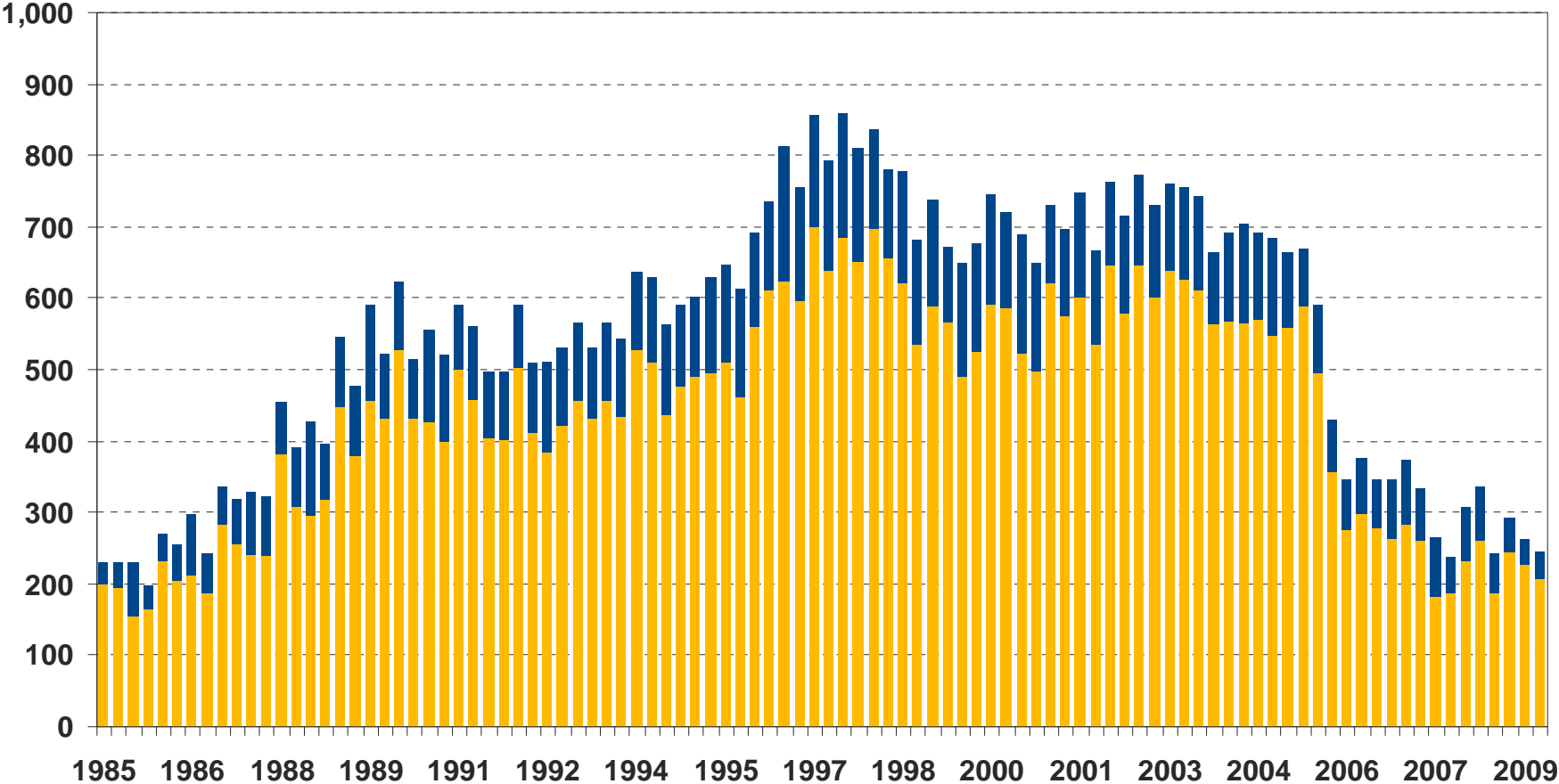
Nonmalignant tort filings in large recruitment states



Source: Bates White

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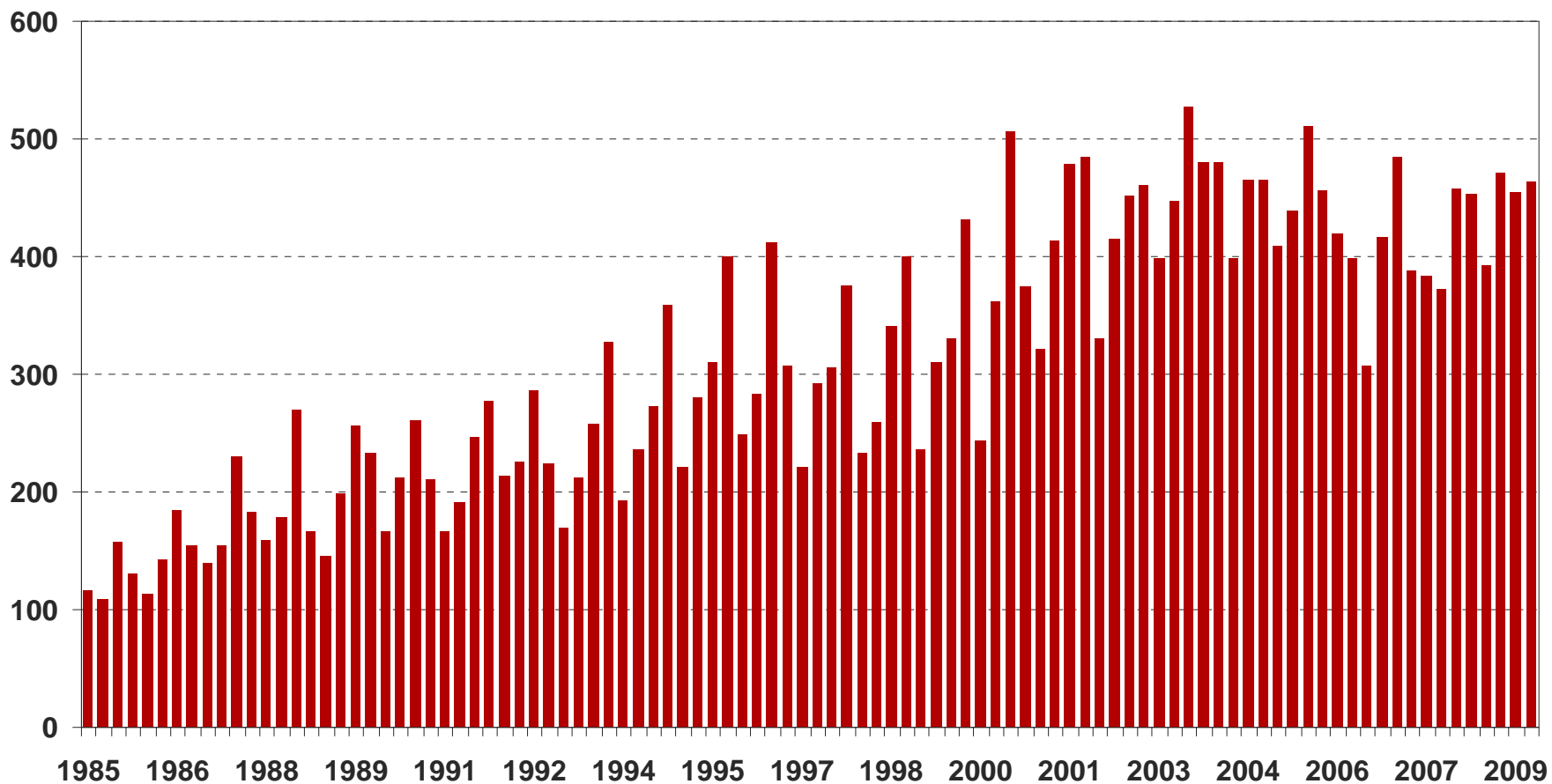
U.S. lung and other cancer tort filings by quarter through June 2009



Source: Bates White

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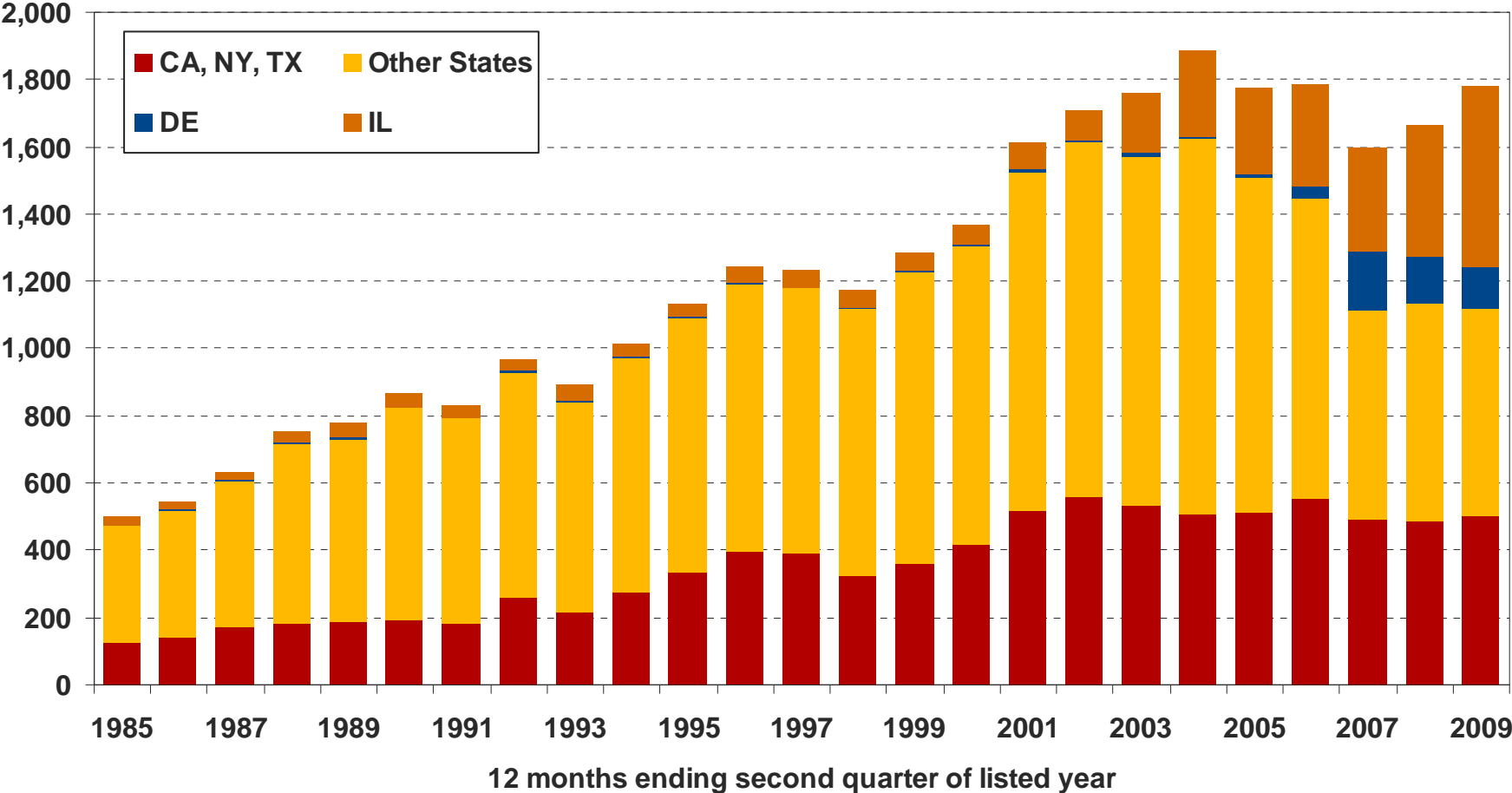
U.S. mesothelioma tort filings by quarter



Source: Bates White

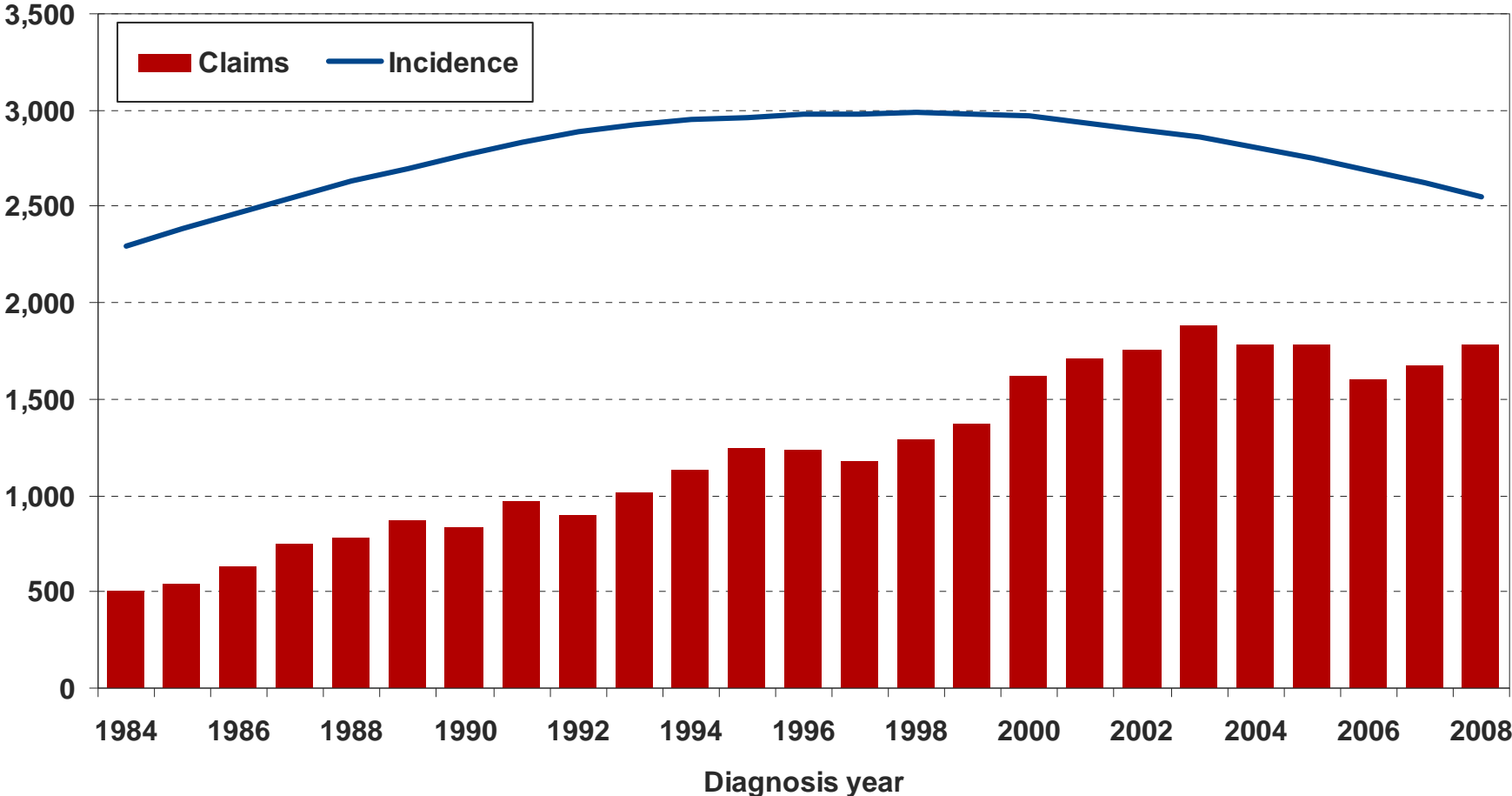
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Annual U.S. mesothelioma tort filings



Source: Bates White

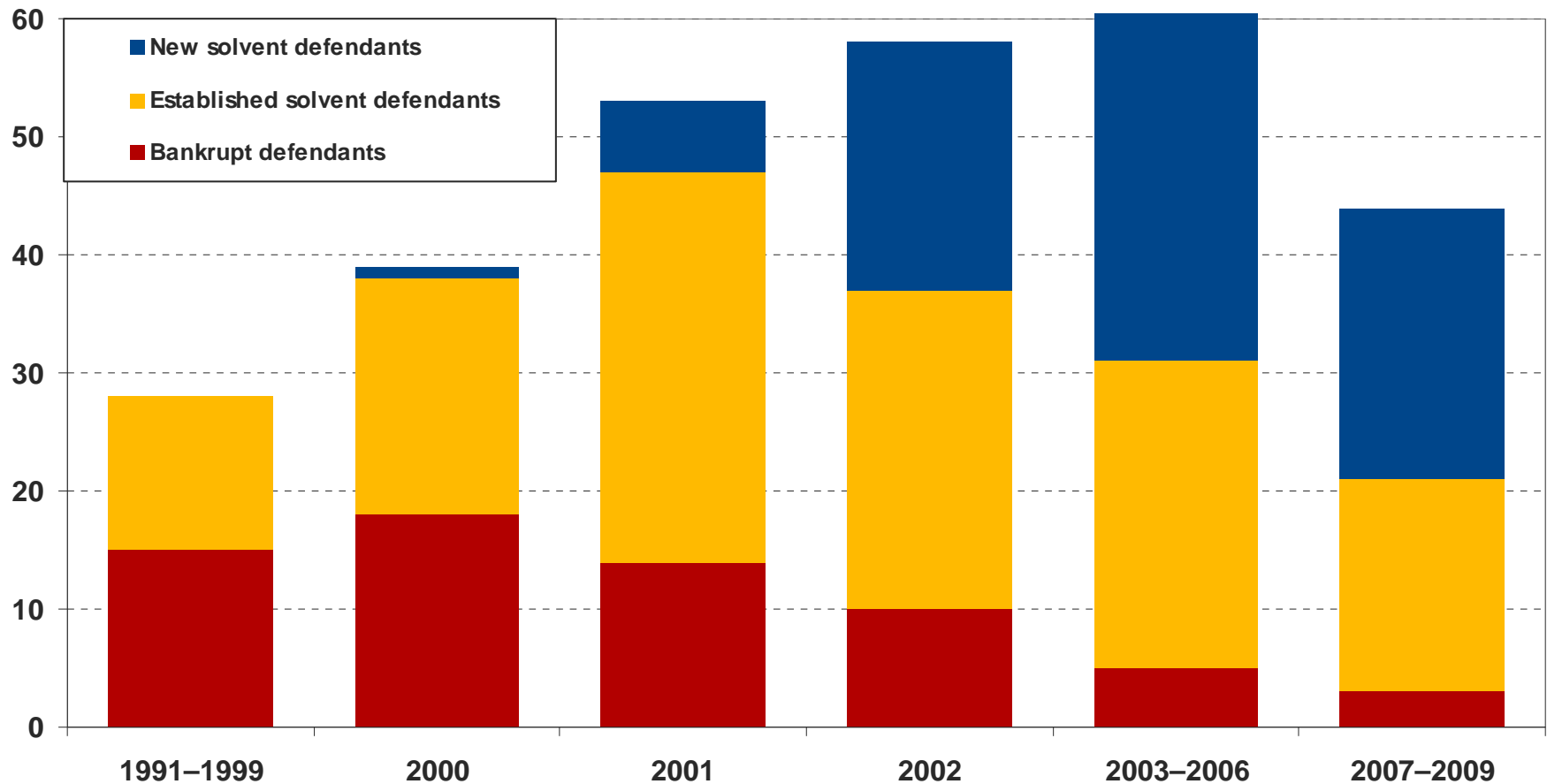
Comparison of mesothelioma claims to estimated disease incidence



Source: Bates White

Update on naming patterns and implications for total plaintiffs' recovery amounts

Average number of defendants in a mesothelioma complaint in Alameda County by filing years



Source: Charles E. Bates, Charles H. Mullin, and A. Rachel Marquardt, "The Naming Game"

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Examples of established bankrupt defendants and percentage of mesothelioma tort complaints in Alameda County in which they were named

| Company | Percentage of complaints prior to the bankruptcy |
|---------------------|--|
| G-I Holdings | 95% |
| Turner Newall | 95 |
| Keene Corporation | 94 |
| Fibreboard | 90 |
| Armstrong | 89 |
| Owens Corning | 88 |
| Babcock & Wilcox | 78 |
| Flexitallic | 74 |
| AP Green Industries | 63 |
| Pittsburgh Corning | 53 |
| US Gypsum | 40 |

Source: Charles E. Bates, Charles H. Mullin, and A. Rachel Marquardt, "The Naming Game"

Dismissal rate of resolved Alameda County complaints by type of defendant

| | Bankrupt defendants | Solvent established defendants | | Solvent new defendants |
|------------------|---------------------|--------------------------------|---------------------|------------------------|
| | Prebankruptcy wave | Prebankruptcy wave | Postbankruptcy wave | Postbankruptcy wave |
| Claims settled | 77% | 67% | 29% | 27% |
| Claims dismissed | 23% | 33% | 71% | 73% |

Source: Charles E. Bates, Charles H. Mullin, and A. Rachel Marquardt, "The Naming Game"

Estimated trust recoveries for mesothelioma claimants

| Trust category | Number of trusts | Face value | Cash value | Estimated recovery |
|------------------|------------------|-------------|-------------|--------------------|
| Confirmed trusts | 30 | \$4,600,000 | \$1,300,000 | \$800,000 |
| Upcoming trusts | 11 | \$2,700,000 | \$800,000 | \$400,000 |
| Total | 41 | \$7,200,000 | \$2,000,000 | \$1,200,000 |

Source: Charles E. Bates, Charles H. Mullin, and A. Rachel Marquardt, "The Naming Game"

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