

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

Charles E. Bates, PhD

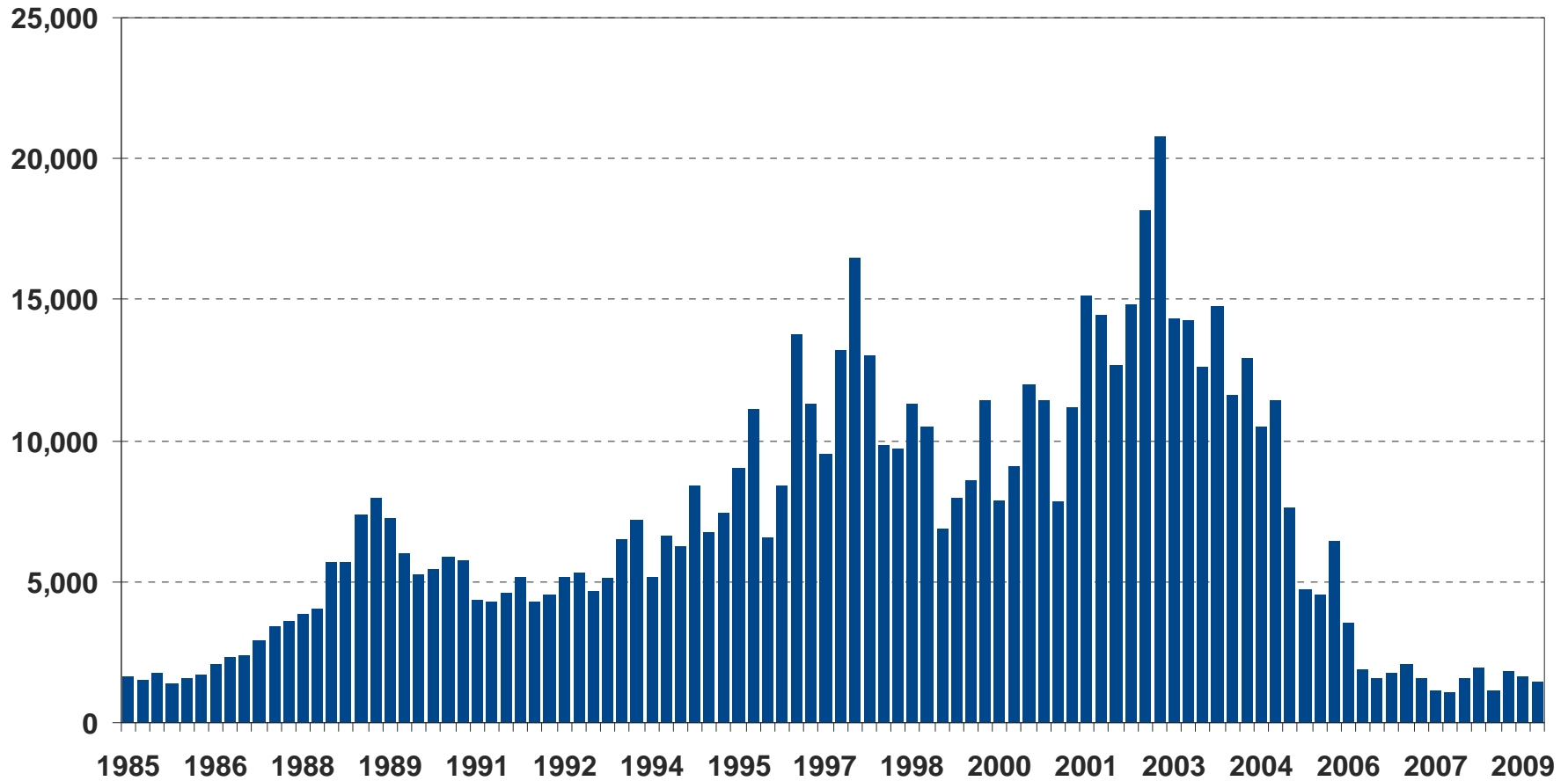
Perrin Asbestos Litigation Conference

San Francisco, CA

September 14-16, 2009

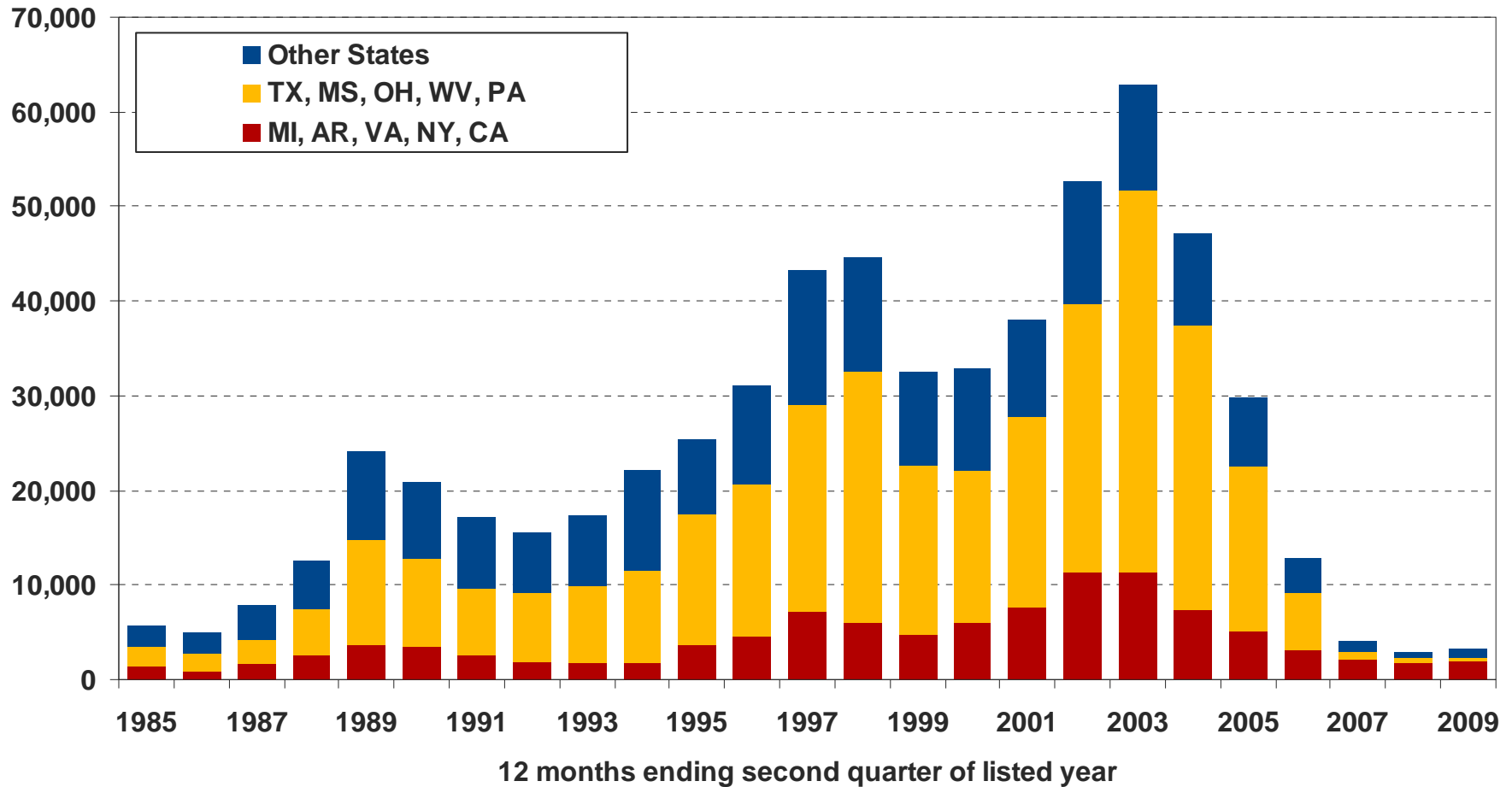
Update on U.S. asbestos tort filings

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



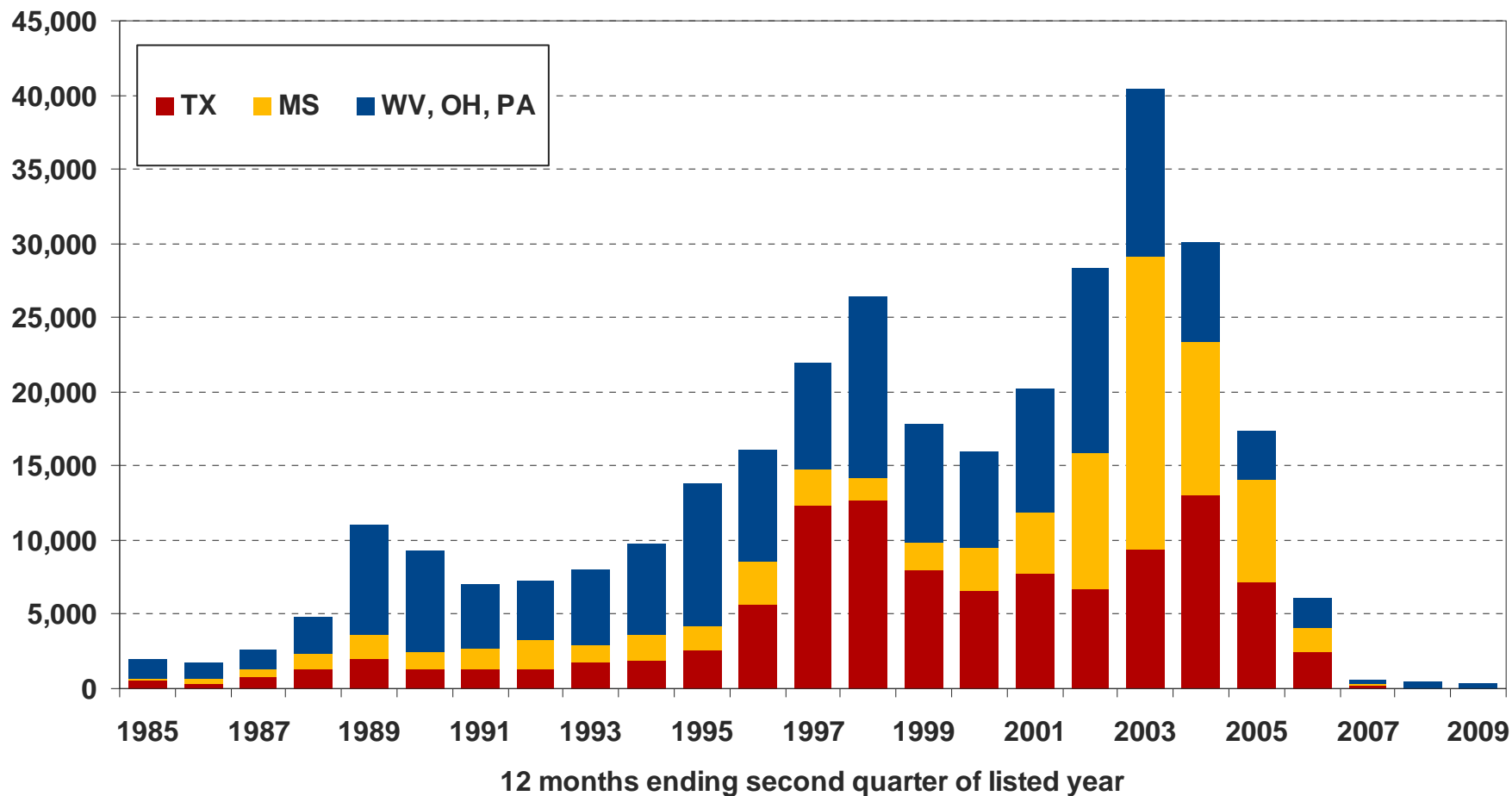
Source: Bates White

Annual U.S. nonmalignant tort filings



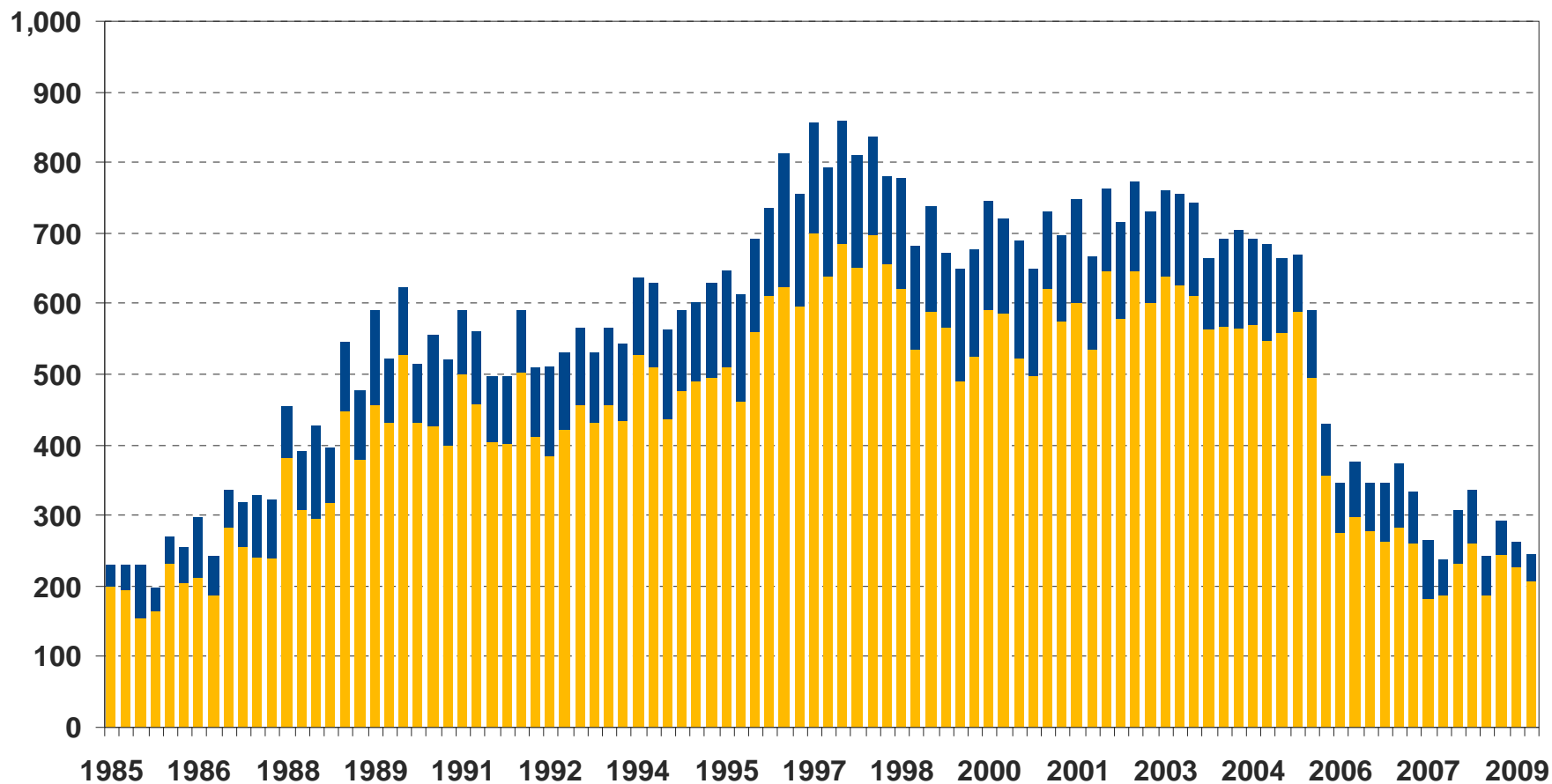
Source: Bates White

Nonmalignant tort filings in large recruitment states



Source: Bates White

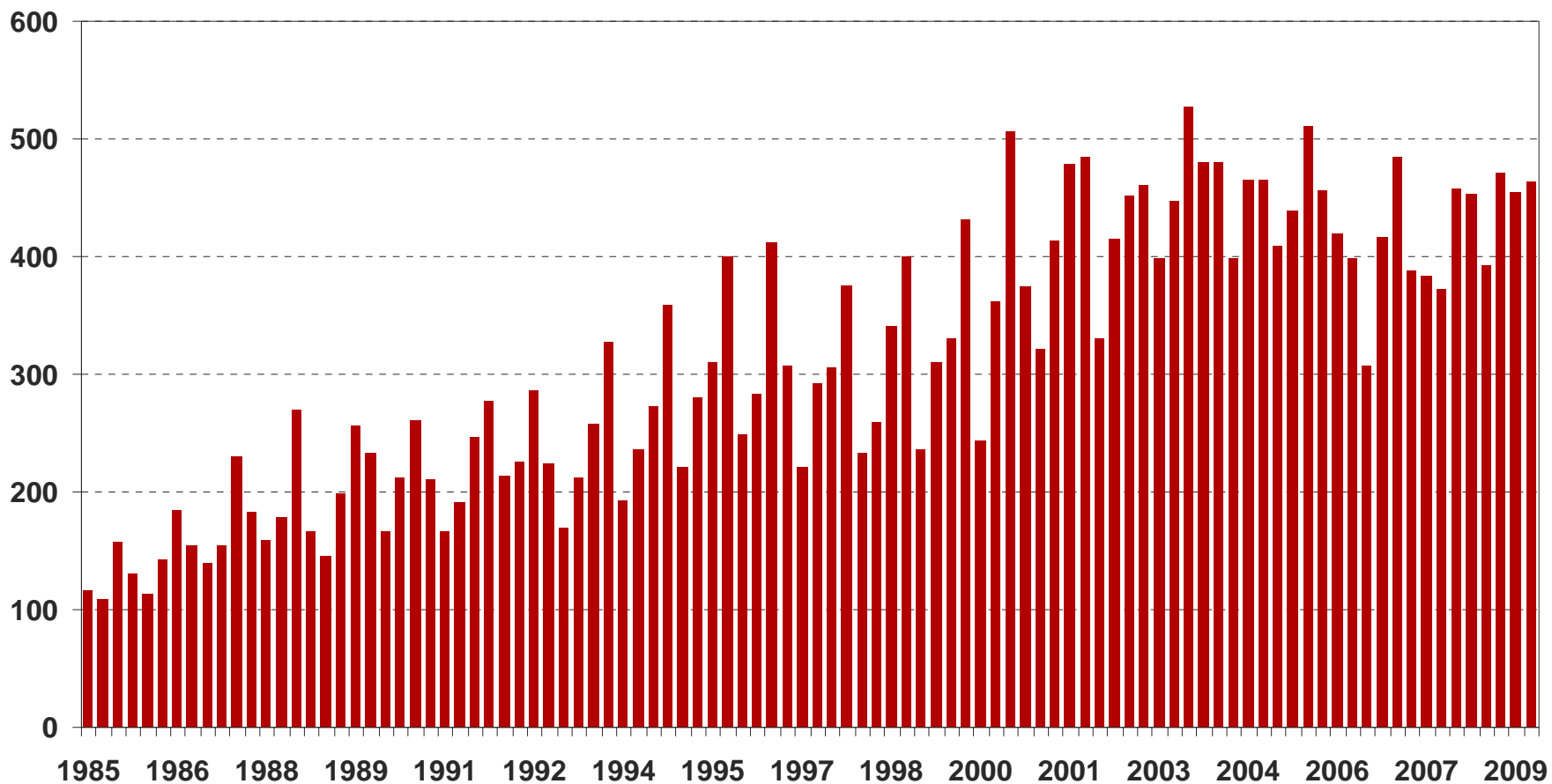
U.S. lung and other cancer tort filings by quarter through June 2009



Source: Bates White

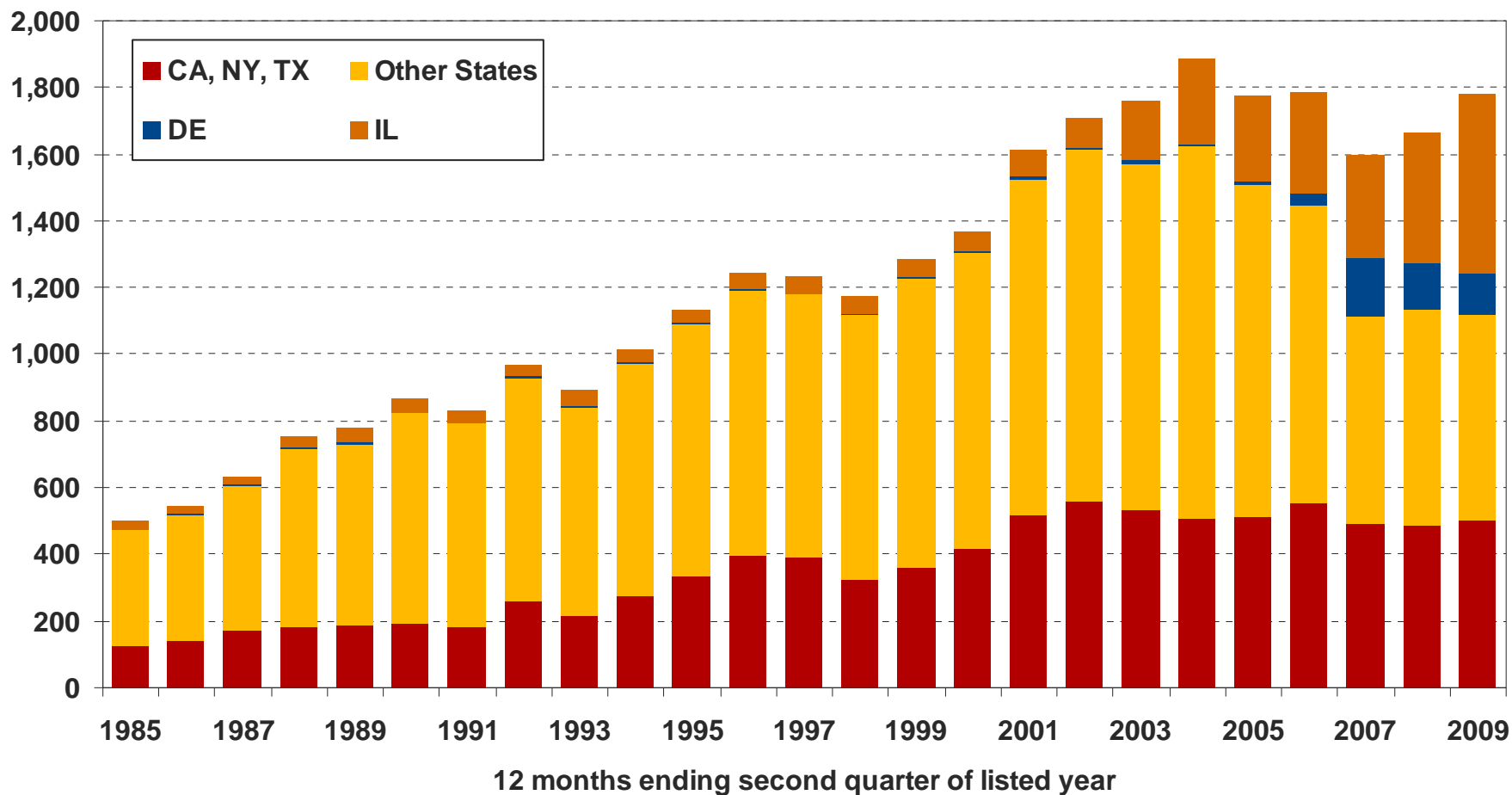
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U.S. mesothelioma tort filings by quarter



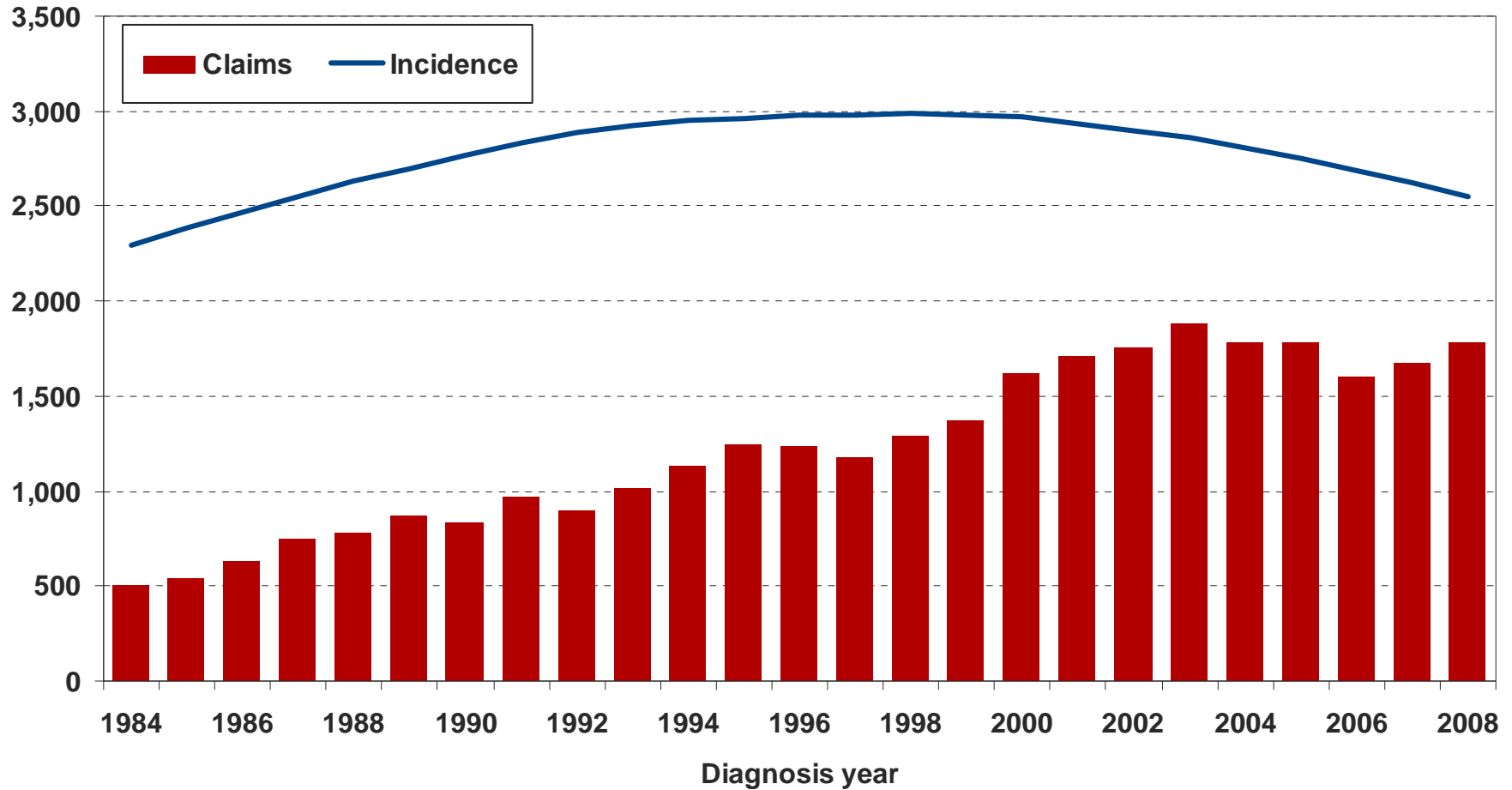
Source: Bates White

Annual U.S. mesothelioma tort filings



Source: Bates White

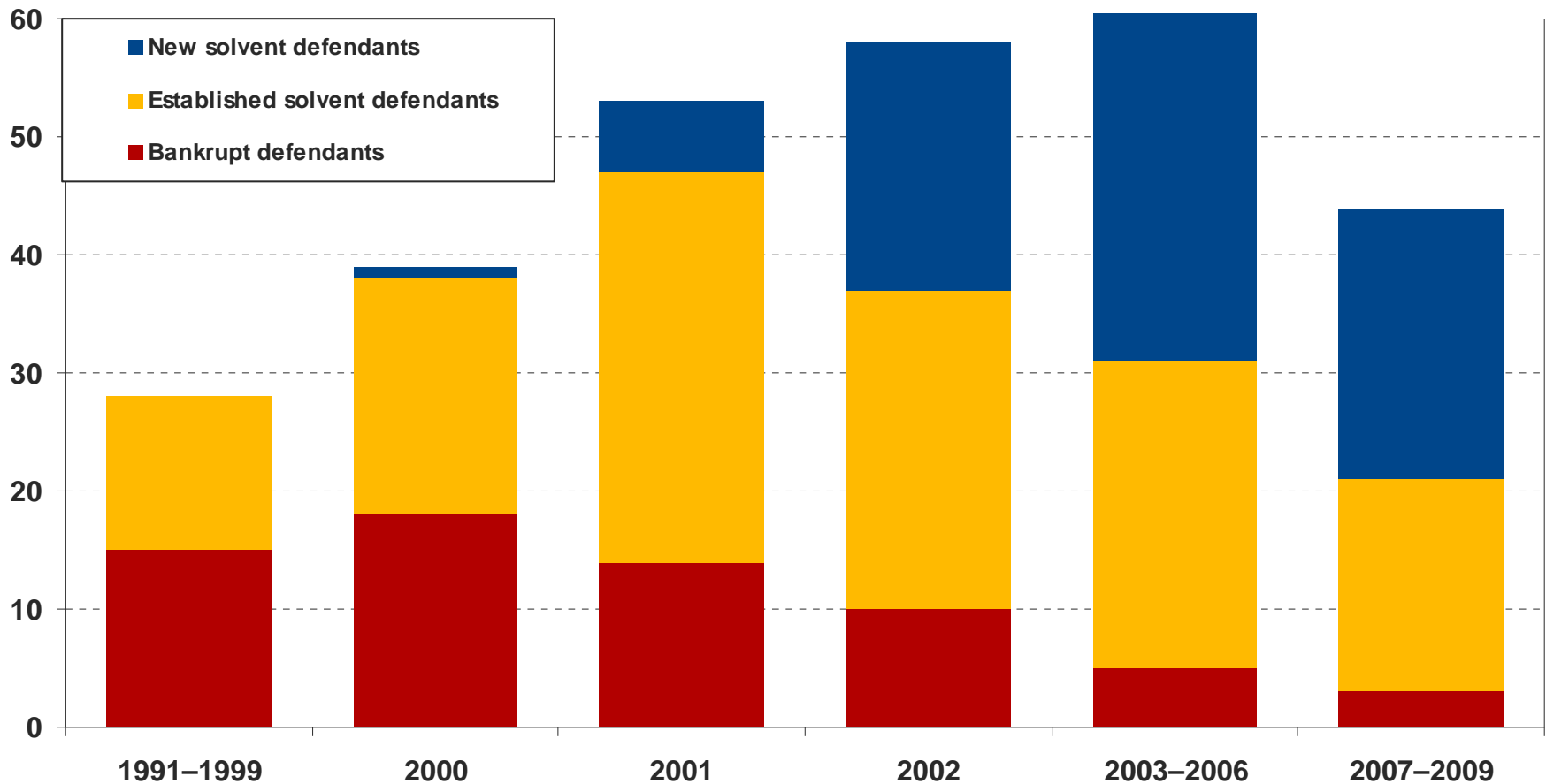
Comparison of mesothelioma claims to estimated disease incidence



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"

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

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