

ASBESTOS LITIGATION:

2017 YEAR IN REVIEW

KCIC Industry Report

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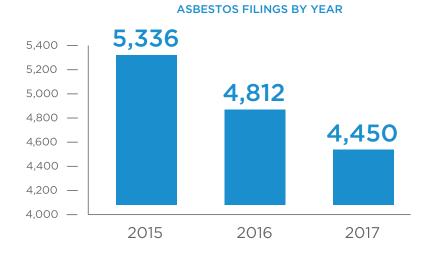
INTRODUCTION

KCIC is pleased to present its annual Asbestos Litigation Report, which offers a comprehensive summary of 2017 trends and observations. The analysis in this report is based on the past three years of asbestos complaint data captured by KCIC. This data comes from complaints received and processed by KCIC through January 31, 2018, which we estimate includes over 90% of all asbestos-related personal injury lawsuits filed across the country. Note: On average, we see a month lag between when these lawsuits are filed and when they are received. Therefore, the numbers for 2017 will continue to increase somewhat by the time our 2018 report is published a year from now. These are the trends we see at this point in early 2018.

As in past reports, we will begin with an overview of filing statistics by disease, jurisdiction and plaintiff firm. We also have prepared analysis on several other topics that have arisen over the past year, such as trends in defendant company namings; the effects of personal jurisdiction and bankruptcy trust transparency (BTT) legislation on filings; and secondary exposure/gender in filings.

FILINGS OVERVIEW

For the first time, our data show a downward trend in both the total number of asbestos lawsuit filings, as well as a decrease in filings for every major disease type. While the 2017 filings received through January 2018 show a 17% decrease from the 2015 total, the decrease appears to have slowed somewhat. Filings in 2016 were down 10% from 2015; at this point, the 2017 total is down less than 8% from last year, and we anticipate getting more 2017 filings as we get further into 2018, which will lessen this decrease.



Our data currently show a decrease in each disease type between 2016 and 2017. Notably, mesothelioma filings are down 5% from 2016 and lung cancer filings have decreased 10%. The largest decrease in filings is seen in other cancer filings, which have decreased 12%.

ANNUAL ASBESTOS FILINGS BY DISEASE

Disease from Complaint	2015 Filings	2016 Filings	2017 Filings	% Change 2016 - 2017
Mesothelioma	2,292	2,311	2,190	-5.2%
Lung Cancer	1,158	1,220	1,101	-9.8%
Other Cancer	156	153	135	-11.8%
Non-Malignant	1,339	754	685	-9.2%
Unknown	391	374	339	-9.4%
Total Filings	5,336	4,812	4,450	-7.5%

JURISDICTION TRENDS

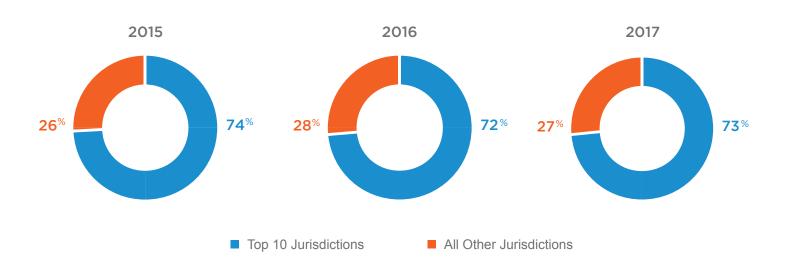
Once again, we see the same jurisdictions dominating asbestos litigation. While the locations that make up the top jurisdictions for asbestos filings have not changed much year over year, the number of filings in some of these places has changed significantly since 2016. For instance, Madison County, III., which has long been at the top of the list, has seen a 13% decrease in filings between 2016 and 2017. Other top jurisdictions, such as Baltimore City, Md.; St. Louis, Mo.; and New Castle, Del., have also seen a decrease of 10%, 40% and 10%, respectively. At the same time, jurisdictions such as St. Clair and Cook counties in Illinois have increased 200% and 15%, and in Kanawha, W. Va., filings have gone up almost 25%.

Top 10 Jurisdictions 2017	2015 Filings	2016 Filings	2017 Filings	% Change 2016 - 2017
Madison County, IL	1,191	1,303	1,128	-13.4%
Baltimore City, MD	694	548	495	-9.7%
New York, NY	401	369	346	-6.2%
Philadelphia, PA	233	247	263	6.5%
St. Clair County, IL	109	69	207	200.0%
St. Louis, MO	236	315	188	-40.3%
Wayne County, MI	312	190	185	-2.6%
Cook County, IL	187	143	164	14.7%
New Castle, DE	132	144	130	-9.7%
Kanawha, WV	94	98	122	24.5%
Subtotal of Top 10 Jurisdictions 2017	3,589	3,426	3,228	-5.8%
Grand Total of All Jurisdictions	5,336	4,812	4,450	-7.5%

TOP 10 JURISDICTION BY TOTAL 2017 FILING COUNT

TOP 10 JURISDICTION FILING CONCENTRATION 2015-17

Similarly, the concentration of annual filings within the top jurisdictions has seen little change over the past few years. The top 10 jurisdictions make up 73% of all 2017 filings – a slightly higher concentration than in 2016. While the top 10 jurisdictions fluctuate year over year, the filing concentration of the top 10 jurisdictions in 2017 is slightly higher than the filing concentration of the same jurisdictions in 2016.



PLAINTIFF FIRM TRENDS

As with the top jurisdictions, many of the top plaintiff firms filing asbestos lawsuits in 2016 are on the top 10 list for 2017 as well, with approximately 62% of all lawsuits being filed by these firms. At the time of this report, Gori Julian & Associates has filed the most complaints (588). It is worth noting, however, that the past two years have shown similar disparity between Gori Julian and the Law Offices of Peter G. Angelos when the data for our report was cut. But additional Angelos filings (received after report publication) resulted in Angelos exceeding Gori Julian's annual total. It is possible that will be the case again this year. We will continue to monitor these filings.

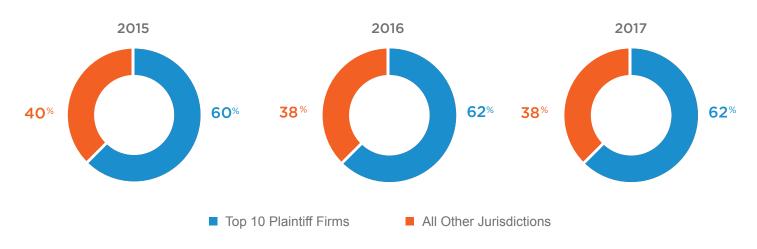
The only firm in this year's top 10 that was not in the top 10 for 2016 is Michael B. Serling, PC, which increased its filings by 62% in 2017. Serling files in Wayne County, Mich., and while its 2017 numbers are fairly evenly distributed between mesothelioma, lung cancer and non-malignant complaints, its mesothelioma filings have increased from two in 2016 to 20 in 2017. In contrast, the Law Offices of Paul A. Weykamp fell out of the top 10 this year, with a 62% decrease in filings. Weykamp mainly files non-malignant complaints in Newport News, Va., so the decrease explains why that jurisdiction is no longer in the top 10 for 2017.

Top 10 Plaintiff Firms 2017	2015 Filings	2016 Filings	2017 Filings	% Change 2016 - 2017
Gori Julian & Associates, PC	478	544	588	8.1%
Law Offices of Peter G. Angelos, PC	644	555	467	-15.9%
Weitz & Luxenberg, PC	439	436	449	3.0%
Simmons Hanly Conroy, LLC	386	505	379	-25.0%
Maune Raichle Hartley French & Mudd, LLC	233	244	254	4.1%
Cooney & Conway	179	176	211	19.9%
Goldberg Persky & White, PC	225	201	147	-26.9%
SWMW Law, LLC	122	121	104	-14.0%
Napoli Shkolnik, PLLC	48	129	85	-34.1%
Michael B. Serling, PC	40	45	73	62.2%
Subtotal of Top 10 Plaintiff Firms 2017	2,794	2,956	2,757	-6.7%
Grand Total of All Plaintiff Firms	5,336	4,812	4,450	-7.5%

TOP 10 PLAINTIFF FIRMS BY TOTAL 2017 FILING COUNT

TOP 10 PLAINTIFF FIRM CONCENTRATION 2015-17

Similar to what we saw in jurisdictions, the shifts in counsel that make up the top 10 each year do not seem to affect the concentration of cases filed by the group, as the top 10 have consistently accounted for a little over 60% of filings in each of the past three years.



FILING TRENDS: MESOTHELIOMA FOCUS

The top 10 jurisdictions for mesothelioma filings, and the concentration of lawsuits within these jurisdictions, have stayed consistent over the past three years. Whereas 73% of all 2017 asbestos claims are concentrated in the top 10 jurisdictions overall, the concentration increases to 77% when looking at the top 10 mesothelioma jurisdictions in 2017. Madison County, Ill., continues to be the epicenter for the vast majority of mesothelioma claims, with eight times as many claims as Philadelphia, Pa., the second most popular jurisdiction. Total mesothelioma claims are down 5% this year, and some of the main filers saw significant decreases. Most dramatic is St. Louis, Mo., where mesothelioma filings dropped from 121 to 62 (49% decrease). In contrast, jurisdictions like Philadelphia and Middlesex, N.J., had increases in mesothelioma filings of 32% and 26%, respectively.

TOP 10 MESOTHELIOMA JURISDICTIONS BY 2017 FILI	ING	COUNT
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Top 10 Jurisdictions 2017	2015	2016	2017	% Change 2016-2017
Madison County, IL	1,068	1,081	1,017	-5.9%
Philadelphia, PA	88	97	128	32.0%
Cook County, IL	116	94	109	16.0%
Los Angeles, CA	97	91	76	-16.5%
New York, NY	88	89	74	-16.9%
Middlesex, NJ	52	55	69	25.5%
New Castle, DE	64	60	63	5.0%
St. Louis, MO	94	121	62	-48.8%
Alameda, CA	40	42	51	21.4%
Middlesex, MA	60	35	43	22.9%
Subtotal of Top 10 Mesothelioma Jurisdictions 2017	1,767	1,765	1,692	-4.1%
Mesothelioma Grand Total of All Jurisdictions	2,292	2,311	2,190	-5.2%

Similarly, the concentration among the top 10 plaintiff firms filing mesothelioma claims is also higher than the overall filing concentration (66% vs 62%). Looking at the top 10 firms filing mesothelioma lawsuits, total filings among those firms have decreased slightly less than nationwide (4% decrease vs. 5% overall mesothelioma decrease). The most notable decreases were Simmons Hanly Conroy, SWMW Law, and Shrader & Associates. Cooney & Conway and Weitz & Luxenberg have both significantly increased their mesothelioma filings in 2017.

TOP 10 MESOTHELIOMA PLAINTIFF FIRMS BY 2017 FILING COUNT

Top 10 Mesothelioma Plaintiff Firms 2017	2015 Filings	2016 Filings	2017 Filings	% Change 2016 - 2017
Gori Julian & Associates, PC	272	327	329	0.6%
Simmons Hanly Conroy, LLC	376	377	324	-14.1%
Maune Raichle Hartley French & Mudd, LLC	233	244	254	4.1%
Cooney & Conway	110	128	157	22.7%
Weitz & Luxenberg, PC	99	119	142	19.3%
SWMW Law, LLC	79	96	60	-37.5%
Shrader & Associates, LLP	102	75	58	-22.7%
Belluck & Fox, LLP	51	58	49	-15.5%
Early Lucarelli Sweeney & Meisenkothen	51	34	38	11.8%
Levy Konigsberg, LLP	39	34	28	-17.6%
Subtotal of Top 10 Mesothelioma Plaintiff Firms 2017	1,412	1,492	1,439	-3.6%
Grand Total of All Mesothelioma Claims	2,292	2,311	2,190	-5.2%

FILING TRENDS: LUNG CANCER FOCUS

While the mesothelioma filing pattern remained fairly consistent, lung cancer filings in 2017 showed some notable differences from previous years. Madison County, III.; St. Louis, Mo.; Baltimore City, Md.; New Castle, Del.; and New York, N.Y. (all top 10 overall asbestos jurisdictions) saw significant decreases in lung cancer filings. In fact, the percentage changes in filings in the top 10 lung cancer jurisdictions were greater than +/- 25% in seven of the 10 jurisdictions. At the same time, the concentration of lung cancer filings within the top 10 jurisdictions remained fairly constant, with only a slight decrease from 79% in 2016 to 78% in 2017. The big story here is St. Clair County, III., where lung cancer filings increased 243%. Madison and St. Louis filings are down, so it seems as though lung cancer filings are moving from these jurisdictions to nearby St. Clair.

TOP 10 LUNG CANCER JURISDICTIONS BY 2017 FILING COUNT

Top 10 Lung Cancer Jurisdictions 2017	2015 Filings	2016 Filings	2017 Filings	% Change 2016 - 2017
St. Clair County, IL	99	58	199	243.1%
St. Louis, MO	134	187	117	-37.4%
Madison County, IL	113	213	98	-54.0%
Baltimore City, MD	174	140	98	-30.0%
Kanawha, WV	60	66	88	33.3%
Philadelphia, PA	87	88	80	-9.1%
New Castle, DE	61	80	60	-25.0%
Wayne County, MI	56	53	50	-5.7%
New York, NY	49	46	34	-26.1%
Cook County, IL	49	32	32	0.0%
Subtotal of Top 10 Lung Cancer Jurisdictions 2017	882	963	856	-11.1%
Lung Cancer Grand Total of All Jurisdictions	1,158	1,220	1,101	-9.8%

Unlike what we saw with the top 10 plaintiff firms filing mesothelioma claims, the percentage decrease in lung cancer filings among the top 10 lung cancer filers is greater than the overall percentage decrease among all filers of these claims (10.4% top 10 decrease vs. 9.8% overall decrease).

TOP 10 LUNG CANCER PLAINTIFF FIRMS BY 2017 FILING COUNT

Top 10 Lung Cancer Plaintiff Firms 2017	2015 Filings	2016 Filings	2017 Filings	% Change 2016 - 2017
Gori Julian & Associates, PC	202	211	254	20.4%
Law Offices of Peter G. Angelos, PC	130	128	74	-42.2%
Napoli Shkolnik, PLLC	41	118	74	-37.3%
Weitz & Luxenberg, PC	91	75	67	-10.7%
Simmons Hanly Conroy, LLC	7	122	47	-61.5%
Goldberg Persky & White, PC	46	38	46	21.1%
SWMW Law, LLC	39	25	42	68.0%
Flint Law Firm, LLC	34	10	32	220.0%
Cooney & Conway	46	31	31	0.0%
Law Offices of Peter T. Nicholl	66	23	31	34.8%
Subtotal of Top 10 Lung Cancer Plaintiff Firms 2017	702	779	698	-10.4%
Grand Total of All Lung Cancer Claims	1,158	1,220	1,101	-9.8%

We see on the previous page that the most significant decrease was Simmons Hanly Conroy, which filed 62% fewer lung cancer lawsuits in 2017 than in 2016. Looking into the disease distribution for this firm over the past two years, we see in 2016 there was a move away from mesothelioma filings, corresponding with an increase in lung cancer filings. In 2017, the distribution has begun to revert back, with a decrease in lung cancer cases and increase in mesothelioma filings.

SIMMONS HANLY CONROY ANNUAL FILINGS BY DISEASE

File Year	Mesothelioma % of Total Filings	Lung Cancer % of Total Filings	Other Diseases % of Total Filings
2015	97.4%	1.8%	0.8%
2016	74.7%	24.2%	1.1%
2017	85.5%	12.4%	2.1%

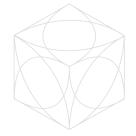
Gori Julian continues to dominate lung cancer filings with an increase of 20% (211 to 254 filings) over last year. SWMW Law and Flint Law Firm have increased their lung cancer filings 68% and 220%, respectively, between 2016 and 2017, though their overall filings are only a fraction of Gori Julian's.

INCREASES IN LUNG CANCER FILINGS

Plaintiff Firm	2015 Filings	2016 Filings	2017 Filings	% Change 2016 - 2017
Flint Law Firm, LLC	34	10	32	220.0%
SWMW Law, LLC	39	25	42	68.0%
Gori Julian & Associates, PC	202	211	254	20.4%













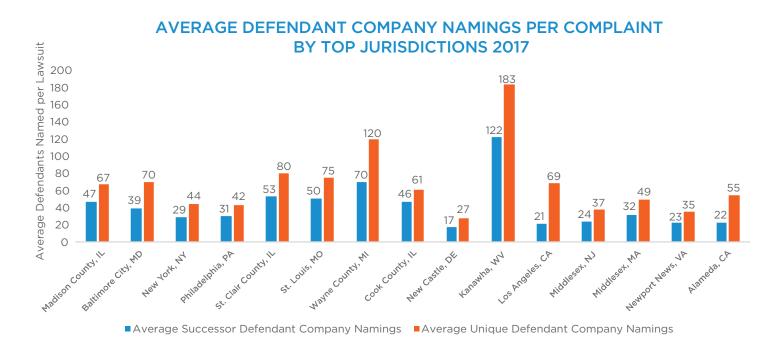
DEFENDANT COMPANY NAMING TRENDS

In 2017, we saw a continuing trend of over 10,000 distinct defendant entities being named on complaints, with the median number continuing a small but steady increase. We continue to see the same concentration of filings naming the top defendant companies. In 2017, at least one of the top 10 most-named defendants was named on 98% of received lawsuits. The most frequently named defendant was named on 87% of lawsuits. These numbers are consistent with previous years' data.

DEFENDANT COMPANY NAMING TRENDS BY YEAR

File Year	Average Defendants Named	Median Defendants Named	Maximum Defendants Named
2015	66	51	361
2016	67	52	478
2017	65	53	360

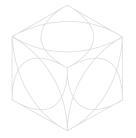
For this year's report, we also studied successor company namings to account for when a defendant is named with several iterations and successors. Historically, when we have counted defendant namings, we have considered every iteration. This year, we decided to look at these numbers both ways. For example, a naming of "Company A as successor in interest to Company B and Company C" is counted as three unique entity namings, or as one if only the final successor is counted. The comparison in the top 15 jurisdictions is as follows:



Kanawha, W.Va. has named the most unique defendants on average for the past three years, while New Castle, Del., has named the lowest number of unique defendants on average for the past three years.













In addition to jurisdictional variation, plaintiff firms vary which defendant companies they are naming on lawsuits. Goldberg Persky & White names an average of 145 unique defendant companies and an average of 81 defendant companies with only final successors counted. Napoli Shkolnik names an average of 18 unique defendant companies and an average of 13 defendants with only final successors counted.



Average Successor Defendant Company Namings
Average Unique Defendant Company Namings

It is widely known that a small number of plaintiff firms file the bulk of asbestos complaints in a few jurisdictions, naming most of the same top defendants. To further illustrate the point, this year we looked at the number of lawsuits filed by the top 15 plaintiff firms in 2017 to see how many of their filings did not name any of the top 10 defendants. Six of the top 15 plaintiff firms named one of the top 10 defendants on every single complaint they filed. Of the 3,055 total lawsuits filed by these top 15 plaintiff firms, only 17 complaints did not name a top defendant – fewer than 1% of filings.

NAMING TRENDS BY TOP PLAINTIFF FIRMS 2017

Top 15 Plaintiff Firms	2017 Filings	2017 Filings Not Naming Any Top 10 Defendants	% Not Naming Any Top 10 Defendants
Gori, Julian & Associates, PC	588	2	0.3%
Law Offices of Peter G. Angelos, PC	467	1	0.2%
Weitz & Luxenberg, PC	449	3	0.7%
Simmons Hanly Conroy, LLC	379	1	0.3%
Maune Raichle Hartley French & Mudd, LLC	254	0	0.0%
Cooney & Conway	211	0	0.0%
Goldberg, Persky & White, PC	147	1	0.7%
SWMW Law, LLC	104	0	0.0%
Napoli Shkolnik, PLLC	85	2	2.4%
Michael B. Serling, PC	73	1	1.4%
Belluck & Fox, LLP	63	0	0.0%
Law Offices of Peter T. Nicholl	63	2	3.2%
Shrader & Associates, LLP	59	0	0.0%
Nass Cancelliere Brenner	57	0	0.0%
Brayton Purcell	56	4	7.1%

OVER-NAMING OF DEFENDANTS

Over-naming of defendants on asbestos complaints is a widely discussed phenomenon. It is generally believed that some plaintiff firms have a template that names the same defendants on a complaint regardless of exposure evidence. For this analysis, KCIC looked only at the final successor namings on complaints. For instance, if Company A is named as successor in interest to Company B, only the Company A naming was considered in this investigation. This method of counting allows us to focus on currently active companies being named and provides a more consistent comparison.

We began by looking at 2017 mesothelioma claims in Illinois. In 2017, Gori Julian named, on average, 106 distinct entities on its complaints. When only the final successor company was counted, the average is 70. Of these, 46 were named on more than 50% of Gori Julian's mesothelioma filings in Illinois and 30 were named on more than 70%.

In comparison, other plaintiff firms filing mesothelioma claims in Illinois named, on average, 54 distinct entities, or 40 final successor company defendants, per complaint. Only 10 of these were named on more than 50% of those complaints, and seven were named on more than 70%. Taking it further, if you look at all 2017 mesothelioma complaints filed nationwide, the average number of defendants per complaint was 62 distinct entities (40 final successor companies). Of these, only 10 were named more than 50% of the time and four more than 70%.

Looking at Gori Julian filings elsewhere in the country (excluding Illinois), the average number of distinct namings was 96 distinct entities (49 final successor company defendants) for mesothelioma filings. Of these, 15 were named on more than 50% of complaints and five were named on more than 70%. In other words, Gori Julian is naming more companies on more of its mesothelioma complaints in Illinois than other plaintiff firms, and more than it names in other (non-Illinois) locations.

2017 MESOTHELIOMA DEFENDANT NAMING TEMPLATE ANALYSIS

	Average # Defendants Per Complaint	# Named On >50% of Complaints	# Named On >70% of Complaints	Named >70% /Avg. # Named Per Complaint
Gori Julian IL Filings	70	46	30	42.9%
Other IL Filings	40	10	7	17.5%
Nationwide Filings	40	10	4	10.0%

So, does this happen for any of the other top-filing plaintiff counsels in top jurisdictions? To try to answer this question, we looked at 2017 non-malignant filings by Peter G. Angelos's firm in Maryland. On average, these complaints named 81 individual defendant entities (44 final successor defendants). In this scenario, 38 successor companies were named on more than 50% of these complaints and 25 were named on more than 70%.

Again, we compared this to other plaintiff firms filing non-malignant claims in Maryland and found that, on average, these firms named 38 distinct entities (24 final successors) as defendants on each complaint. Of these, 14 were named more than 50% of the time and only six were named on more than 70% of complaints. Looking nationwide, an average of 77 distinct entities (44 final successor companies) were named on non-malignant complaints in 2017. Nationally, only 12 defendants were named more than 50% of the time and five on more than 70% of complaints.

2017 NON-MALIGNANT DEFENDANT NAMING TEMPLATE ANALYSIS

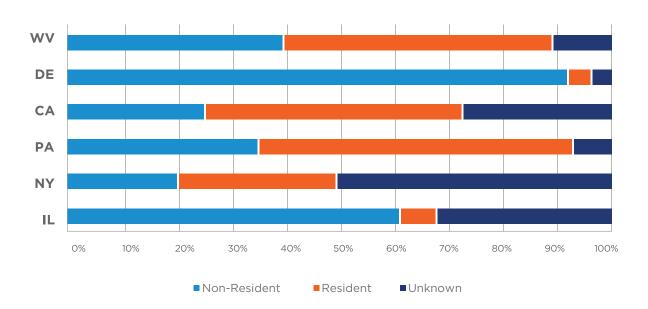
	Average # Defendants Per Complaint	# Named On >50% of Complaints	# Named On >70% of Complaints	Named >70% /Avg. # Named Per Complaint
Peter Angelos MD Filings	44	38	25	56.8%
Other MD Filings	24	14	6	25.0%
Nationwide Filings	44	12	5	11.4%

In both of these subsets, the number of defendants being named on more than 70% of complaints compared to the average number of defendant companies being named on complaints is far higher for Gori Julian and Peter Angelos than it is for other firms filing the same types of complaints in the same states and nationwide.

EFFECTS OF PERSONAL JURISDICTION LEGISLATION

The concentration of asbestos filings in only a few jurisdictions is an ongoing occurrence. Asbestos plaintiffs reside in all 50 states, yet over 50% of total filings are filed in only five jurisdictions. These jurisdictional hubs are targets for "litigation tourism." However, recent legislation may be changing that trend. In the past six years, five personal jurisdiction cases have reached the Supreme Court level. Every decision favored the defendant companies by limiting the jurisdictions in which they can be sued.

2017 NON-RESIDENT FILING STATISTICS IN TOP JURISDICTIONS



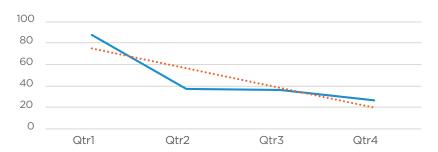
To better illustrate the issue and the effects of these rulings, we analyzed several top jurisdictions. First, we looked at Illinois as a whole, where 34% of all asbestos lawsuits are filed – mostly in Madison County. Of these, 62% of lawsuits were filed by non-residents. In September 2017, the Illinois Supreme Court issued an opinion reinforcing the June 2017 Bristol-Myers Squibb ruling in California, which said a non-resident can sue in a state where the defendant company is headquartered or incorporated, or in a state where the non-resident was injured. As the Illinois opinion is still recent, the effects of the ruling are not yet apparent, but the decrease of filings in 2017 could be a sign that plaintiff firms are moving their cases to states with a more favorable (or non-existent) personal jurisdiction legal environment.

California's tort system has delivered a handful of large verdicts to non-residents in recent years. With the Bristol-Myers Squibb decision coming out of the California court system, it is possible we will see a change in that state's filings mix. Since 2016 there has been an increase in filings in California by about 11%, due to six new firms filing in the state, and an uptick in California's main filers, such as Brayton Purcell. The number of non-resident filings has actually increased by a larger margin of 28%, so it will be interesting to see what, if any, effect the personal jurisdiction rulings have on future filings.

Both New York and Delaware could be favorable options for plaintiffs to file after the personal jurisdiction ruling, as many companies are either headquartered or incorporated in these states. New York had 488 total asbestos filings in 2017, of which 20% were non-resident filers (30% were resident; 51% unknown). New York did not yet see any increase in filings from 2016, but the state received filings in 25 different jurisdictions from 19 plaintiff firms. Delaware had a total of 135 filings in 2017 by eight different firms, but has not seen an increase in filings since the court decision. Delaware's court system, unsurprisingly, has the highest percentage of out-of-state filings (95%).

We are already seeing some litigation effects. On June 19, 2017, a judge in St. Louis, Mo., declared a mistrial in a talcum powder suit, citing personal jurisdiction, as the three plaintiffs were non-residents with no connection to the state. Missouri, specifically St. Louis, has consistently been a popular filing destination for asbestos lawsuits, but in 2017, filings appear to have decreased.

ST. LOUIS, MO 2017 FILINGS



GORI, JULIAN & ASSOCIATES FILINGS BY STATE

State	2015	2016	2017	Total Filings
IL	391	391	483	1,265
MO	87	138	71	296
LA	0	8	14	22
CA	0	4	6	10
NY	0	2	5	7
PA	0	1	3	4
MD	0	0	4	4
FL	0	0	1	1
DC	0	0	1	1
Total	478	544	588	1,610

We have also seen plaintiff firms that usually file in Madison County, III., expanding to other jurisdictions. Three of the biggest asbestos filers previously only filed in Madison, but in recent years they have started to expand their territory. For instance, Gori Julian has expanded into seven additional states since 2015 outside of Illinois and Missouri.

Looking closer, we see that Gori Julian's plaintiffs are more likely to be residents of these new states.

GORI, JULIAN & ASSOCIATES 2017 FILING BREAKDOWN BY STATE

State	% of Total State Filings	Non-Resident Filings	Resident Filings	Unknown Filings	Total Filings	% Non-Resident Filings	% Resident Filings	% Unknown Filings
IL	82.1%	325	26	132	483	67.3%	5.4%	27.3%
MO	12.1%	20	1	50	71	28.2%	1.4%	70.4%
LA	2.4%	4	7	3	14	28.6%	50.0%	21.4%
CA	1.0%	1	4	1	6	16.7%	66.7%	16.7%
NY	0.9%	3	2	0	5	60.0%	40.0%	0.0%
MD	0.7%	1	2	1	4	25.0%	50.0%	25.0%
PA	0.5%	2	1	0	3	66.7%	33.3%	0.0%
FL	0.2%	0	1	0	1	0.0%	100.0%	0.0%
DC	0.2%	0	0	1	1	0.0%	0.0%	100.0%
Total		356	44	188	588	60.5%	7.5%	32.0%

GORI, JULIAN & ASSOCIATES FILINGS RESIDENT BREAKDOWN

As a result, their overall outof-state filing percentage has dropped from 66% in 2015 to 61% in 2017.

Gori Resident Classifications	2015	2016	2017	Named >70% /Avg. # Named Per Complaint
Non-Resident	65.7%	66.0%	60.5%	42.9%
Resident	3.8%	6.4%	7.5%	17.5%
Unknown	30.5%	27.6%	32.0%	10.0%

MAUNE RAICHLE HARTLEY FRENCH & MUDD FILINGS BY STATE

State	2015	2016	2017	Total Filings
IL	211	219	212	642
CA	13	12	19	44
MO	6	4	3	13
MN	1	0	0	1
PA	1	3	4	8
LA	1	2	1	4
WA	0	0	1	1
SC	0	0	1	1
MD	0	0	1	1
WV	0	1	2	3
NJ	0	2	5	7
NY	0	1	5	6
Total	233	244	254	731

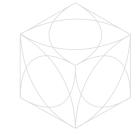
Similarly, Maune Raichle Hartley French & Mudd has expanded into six new states outside of Illinois and Missouri since 2015. Again, we see the filings in many of the new states are more frequently by residents of those states than in the Illinois and Missouri lawsuits. In the aggregate, this firm's out-of-state (non-resident) filings have decreased from 88% of their total filings in 2016 to 81% of their total 2017 filings.

MAUNE RAICHLE HARTLEY FRENCH & MUDD 2017 FILING BREAKDOWN BY STATE

State	% of Total State Filings	Non-Resident Filings	Resident Filings	Unknown Filings	Total Filings	% Non-Resident Filings	% Resident Filings	% Unknown Filings
IL	83.5%	192	12	8	212	90.6%	5.7%	3.8%
CA	3.2%	1	1	17	19	5.3%	5.3%	89.5%
NY	0.9%	5	0	0	5	100.0%	0.0%	0.0%
NJ	0.9%	3	2	0	5	60.0%	40.0%	0.0%
PA	0.7%	1	3	0	4	25.0%	75.0%	0.0%
MO	0.5%	1	2	0	3	33.3%	66.7%	0.0%
WV	0.3%	0	2	0	2	0.0%	100.0%	0.0%
MD	0.2%	1	0	0	1	100.0%	0.0%	0.0%
WA	0.2%	1	0	0	1	100.0%	0.0%	0.0%
LA	0.2%	0	1	0	1	0.0%	100.0%	0.0%
NY	0.2%	0	1	0	1	0.0%	100.0%	0.0%
Total		205	24	25	254	80.7%	9.4%	9.8%

Simmons Hanly Conroy, another main plaintiff firm filing in Illinois, expanded into four new states since 2015. Again, we see many cases where the percentage of resident filers in these new states is higher than that of their Illinois filings.





SIMMONS HANLY CONROY FILINGS BY STATE

State	2015	2016	2017	Total Filings
IL	294	428	299	1,021
CA	38	28	21	87
MO	33	22	18	73
NY	9	10	12	31
PA	7	8	13	28
NJ	5	3	11	19
AR	0	3	2	5
WA	0	2	1	3
TX	0	0	1	1
ОН	0	0	1	1
FL	0	1	0	1
Total	386	505	379	1,270

SIMMONS HANLY CONROY 2017 FILING BREAKDOWN BY STATE

State	State % of Total Filings	Non-Resident	Resident	Unknown	Grand Total	% Non-Resident	% Resident	% Unknown
IL	78.9%	245	30	24	299	82%	10%	8%
CA	5.5%	8	12	1	21	38%	57%	5%
NY	4.7%	7	10	1	18	39%	56%	6%
NJ	3.4%	2	10	1	13	15%	77%	8%
PA	3.2%	5	6	1	12	42%	50%	8%
MO	2.9%	7	4	0	11	64%	36%	0%
WV	0.5%	0	1	1	2	0%	50%	50%
MD	0.3%	1	0	0	1	100%	0%	0%
WA	0.3%	0	1	0	1	0%	100%	0%
NY	0.3%	1	0	0	1	100%	0%	0%
Total		276	74	29	379	73%	20%	8%

Another possible effect of the personal jurisdiction rulings is on the average number of defendants named. The number of defendants named on non-resident filings has decreased in 2017. As the recent Supreme Court Bristol-Myers Squibb decision limits the defendants that can be named on non-resident filings, the ruling may have caused the change in number of defendants named. The opposite holds true for filings by residents, where there generally appears to be an increase, as there is no restriction on where the defendants are headquartered/incorporated if the injury occurred in the state of filing. We will continue to track the effects of these rulings over time.













SECONDARY EXPOSURE AND GENDER ANALYSIS

This year we continued our analysis of secondary exposures and other non-primary/non-occupational exposures. First, we looked at the traditional plaintiff — the reliable majority that is made up of male plaintiffs with primary occupational asbestos exposure. This traditional plaintiff has accounted for around 85% of filings for the past three years and has shown no sign of trending downward.

MALE PRIMARY OCCUPATIONAL PLAINTIFFS

Mala Drimary Plaintiffa	Year				
Male Primary Plaintiffs	2015	2016	2017		
Number of Yearly Plaintiffs	4,433	4,086	3,767		
Percentage of Yearly Plaintiffs	82.3%	84.5%	84.5%		

TOP JURIDICTIONS FOR MALE PRIMARY PLAINTIFFS 2017

Jurisdiction	Male Primary	Total Plaintiffs
Madison County, IL	889	1,128
Baltimore City, MD	403	495
New York, NY	316	346
Philadelphia, PA	244	263
St. Clair County, IL	191	207

These plaintiffs' filings are most influential on overall filings trends – the top plaintiff firms and jurisdictions are the same in this group as they are for overall filings.

It has been suggested that this group of filers is not responsible for keeping asbestos filings steady — that, instead, atypical plaintiffs are the cause. However, the data has not yet reflected that theory.

We analyzed filings by atypical plaintiffs – females and plaintiffs with non-occupational exposure. Contrary to popular belief that most female plaintiffs have only been exposed through secondary/take-home exposures, 74% of all female plaintiffs allege some type of primary (occupational) exposure. Female workers, like male workers, were exposed to asbestos either environmentally, at their place of employment, or with products they interacted with at work. It is theorized

that female workers have more environmental exposure than product-based exposure. An example of environmental exposure would be teachers working in school buildings containing asbestos. However, around World War II, female factory workers had a high risk of primary, occupational exposure. In fact, female plaintiffs with primary exposure account for about 10% of claimants in the past three years.

FEMALE PRIMARY OCCUPATIONAL PLAINTIFFS

Famala Drivery, Digitaliffe	Year				
Female Primary Plaintiffs	2015	2016	2017		
Number of Yearly Plaintiffs	429	511	484		
Percentage of Yearly Plaintiffs	8.0%	10.6%	10.9%		













In 2017, 66% of female workers' filings cited secondary exposure as well; whereas, only 16% of male workers' filings cited additional secondary exposure.

2017 FILINGS BY EXPOSURE TYPE

Gender	Type of Exposure		2017 Worker	% of Worker Plaintiffs	
	Combination	Primary	Plaintiffs	Combination	Primary
Female Plaintiffs	318	166	484	65.7%	34.3%
Male Plaintiffs	618	3,149	3,767	16.4%	83.6%

Three of the top 15 asbestos jurisdictions cited a higher than average percentage of female primary exposure plaintiffs: Madison County, III. (19%); Los Angeles, Calif. (17%); and Middlesex, N.J. (18%). All other jurisdictions had between 2% and 14%.

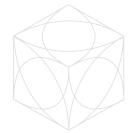
TOP PRIMARY EXPOSURE JURISDICTIONS 2017

Jurisdiction	Male Plaintiffs	Female Plaintiffs	Total Plaintiffs	% Male	% Female
Madison County, IL	886	205	1,091	81.2%	18.8%
Baltimore City, MD	403	46	449	89.8%	10.2%
New York, NY	314	27	341	92.1%	7.9%
Philadelphia, PA	244	12	256	95.3%	4.7%
St. Clair County, IL	191	13	204	93.6%	6.4%
St. Louis, MO	161	21	182	88.5%	11.5%
Wayne County, MI	171	6	177	96.6%	3.4%
Cook County, IL	141	20	161	87.6%	12.4%
New Castle, DE	113	10	123	91.9%	8.1%
Kanawha, WV	101	16	117	86.3%	13.7%
Los Angeles, CA	74	15	89	83.1%	16.9%
Middlesex, MA	77	7	84	91.7%	8.3%
Middlesex, NJ	69	15	84	82.1%	17.9%
Newport News, VA	59	1	60	98.3%	1.7%
Alameda, CA	55	3	58	94.8%	5.2%













Next, we looked at take-home exposures. Plaintiffs alleging only secondary exposure made up 4% of total filings in 2017. This group of plaintiffs is largely made up of wives and children of the male asbestos workers. In 2017, 87% of these plaintiffs were female, and the disease mix for this exposure type was fairly consistent with that of the primary/occupational exposures in 2017.

2017 TAKE-HOME EXPOSURE BREAKDOWN BY GENDER

Gender	Number of Plaintiffs	% of Total Plaintiffs
Female	158	87.3%
Male	23	12.7%
Total Take-home Exposure Plaintiffs:	181	

2017 EXPOSURE TYPE BREAKDOWN BY DISEASE*

Disease	Type of Exposure		Number of	% of Plaintiffs		
Disease	Worker	Take-home	Plaintiffs	Worker	Take-home	
Mesothelioma	2,076	89	2,165	48.8%	49.2%	
Lung Cancer	1,061	37	1,098	25.0%	20.4%	
Other Cancer	132	3	135	3.1%	1.7%	
Non-Malignant	643	50	693	15.1%	27.6%	
Unknown	339	2	341	8.0%	1.1%	
Total:	4,251	181	4,432			

*Excludes plaintiffs alleging only non-occupational exposure

We have also seen an increase in female plaintiffs alleging exposure from talcum powder usage. The percentage of female plaintiffs alleging talc exposure has increased as more verdicts have been publicized. To illustrate, we see in 2014 that female plaintiffs accounted for 20% of asbestos lawsuits naming a talc supplier. However, by 2017, 37% of asbestos lawsuits naming a talc supplier were filed by a female plaintiff.

So, where are these secondary exposure claims being filed and by whom? Seven out of the top 10 overall jurisdictions are also top 10 jurisdictions for secondary exposure filings. The Law Offices of Peter Angelos (44 lawsuits) and The Law Offices of Peter T. Nicholl (seven lawsuits) account for all secondary exposure filings in Baltimore City. Both firms' secondary exposure filings account for around 10% of their total Baltimore City filings. Peter Angelos's firm filed 27% of the total secondary exposure filings in 2017; nine other firms filed between five and 11 claims; and the remaining secondary exposure filings were accounted for by 39 additional plaintiff firms.

Finally, we examined non-occupational exposures. While 1,238 claimants alleged non-occupational exposure in addition to worker or take-home exposure, only 27 claimants alleged only nonoccupational exposure in 2017. These are the plaintiffs who were exposed to asbestos via products they brought into their home. These claims were filed by 17 different plaintiff firms in 12 different jurisdictions. Of the claimants alleging only non-occupational exposure, 60% were female and only one alleged the nonoccupational exposure to also be secondary. These non-occupational exposures are mainly allegations of mesothelioma, as 93% of complaints allege they have the disease. On average, these complaints name fewer defendants – 24 defendant companies on average, compared to the 2017 average of 65.

In conclusion, the statistics we see for atypical claimants is not enough to be the sole cause of continued asbestos litigation.

TOP SECONDARY EXPOSURE JURISDICTIONS 2017

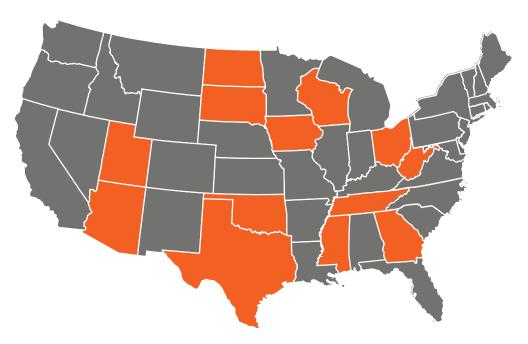
Jurisidiction	Secondary Plaintiffs	Total Plaintiffs	Secondary Exposure % of Total Plaintiffs
Baltimore City, MD	51	505	10.1%
Madison County, IL	30	1,128	2.7%
Orleans, LA	8	49	16.3%
Wayne County, MI	8	185	4.3%
Philadelphia, PA	7	263	2.7%
Newport News, VA	7	67	10.4%
New Castle, DE	7	130	5.4%
St. Louis, MO	6	188	3.2%
Erie, NY	5	41	12.2%
Kanawha, WV	5	122	4.1%

EFFECTS OF BANKRUPTCY TRUST TRANSPARENCY (BTT) LEGISLATION

In the post-Garlock world, as asbestos defendant companies continue to file for bankruptcy, there is a growing movement to add transparency to the trust submission process. That includes bankruptcy trust transparency (BTT) legislation — laws that govern the level to which plaintiffs must communicate information regarding their filings with trusts.

Currently, 13 states have passed BTT legislation, and many more have bills in review or, at the very least, have adopted a portion of trust transparency within their Case Management Orders (CMOs). Enacting the legislation helps ensure the plaintiff's counsel shares more information. In this report, we looked at whether or not this legislation has actually changed filling patterns in states where it has been enacted.

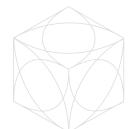
STATES WITH BTT LEGISLATION PASSED













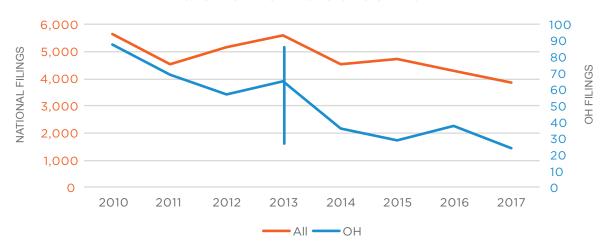


Among those states, most of the legislation was passed very recently, often within the last couple years. Many of the states see very little action in terms of asbestos filings in the first place. With this in mind, we determined that Ohio held the most useful data for our research. Not only was it one of the first states to pass BTT legislation (in March 2013), but it was also the first with a significant number of asbestos case filings to do so.

To get a better idea of how BTT legislation has affected filings, we looked at filings in Ohio from the beginning of 2010 through the end of 2017. This provided us with a solid range both before and after the March 2013 effective date to study any possible effects of the legislation.

Comparing Ohio to overall asbestos filings for this period, we see a significant decrease (45%) between 2013 and 2014. Looking at all asbestos claims filed in the U.S. in the same period, we see the decrease was far less significant (19%).

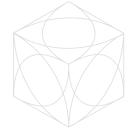
TRENDS FOR TOTAL CLAIMS VS. OHIO CLAIMS BY YEAR









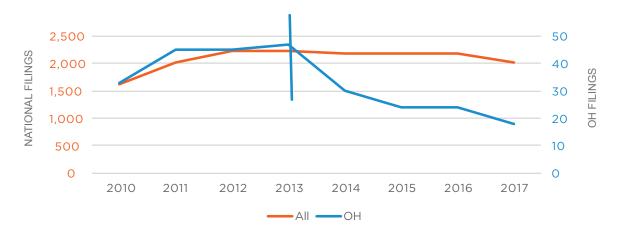






Additionally, mesothelioma claims in Ohio dropped during the same period, by 36%, while the decrease of mesothelioma claims in the U.S. was only 2%.

TRENDS FOR TOTAL MESOTHELIOMA CLAIMS VS. OHIO MESOTHELIOMA CLAIMS BY YEAR



The disproportionate decrease in Ohio may not be completely due to BTT legislation; there could be other factors impacting that state's filing rates. However, from these findings, we can start to make some inferences about the effect that BTT legislation may have.

Finally, we looked at how BTT legislation has impacted the geographical make-up of plaintiffs that are filing asbestos claims in Ohio. We were interested in whether the legislation would deter those outside Ohio from filing claims in the state. We found that starting in 2013 – the year BTT legislation was passed – there was a clear increase in the percentage of Ohio residents filing asbestos claims in the state, meaning that fewer non-residents have been filing there.

As more states continue to enact BTT legislation, we will monitor their progress and include further analysis in future reports.

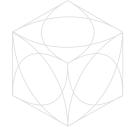
CONCLUSION

The overall picture of asbestos litigation remains much the same as in 2016 and is one centered on the concentration of filings in a small number of jurisdictions by a small number of plaintiff firms. We have started seeing various tort reform efforts come into play and will continue analyzing the effects of such legislation as more time passes.















ABOUT KCIC

KCIC is a privately held consulting firm that partners with corporations in managing mass tort and other complex products liabilities in industries such as manufacturing, chemicals, and pharmaceuticals. Founded in 2002 and based in Washington, D.C., KCIC combines leading-edge technology and consulting expertise to solve data-intensive challenges. KCIC was named a 2016 Future 50 Award winner by Washington SmartCEO magazine, which recognizes the region's 50 fastest-growing mid-sized companies.

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