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Asbestos Lawsuits and Associated Costs Increased in 1998, Mealey Publications ReportsJump to first matched term

KING OF PRUSSIA, Pa., May 19 /PRNewswire/ -- In 1998 many asbestos litigation defendants experienced an increase in personal injury claims and one company's costs to defend and indemnify such claims jumped an eye-opening \$150 million. Some companies blamed the U.S. Supreme Court's rejection of the Georgine v. Amchem global class settlement for the significant increase, according to annual reports filed with the U.S. Securities and Exchange Commission and analyzed by Mealey Publications.

The review of asbestos litigation appeared in Mealey's Litigation Report: Asbestos this month.

Owens Corning said it spent \$455 million to defend and indemnify personal injury claims in 1998, a \$150 million increase from 1997. The increase in indemnity and defense payments results from achieving favorable settlements as well as the National Settlement Program negotiations in the fourth quarter, according to the company.

A settlement negotiated between Owens Corning and more than 50 plaintiff firms had a significant impact on the company's 1998 litigation statistics. Owens Corning said approximately 196,300 claims were pending against it in September 1998. But, the company's National Settlement Program, announced in December, settled more than 176,000 claims against it and more than 100,000 claims against Fibreboard. The \$1.2 billion settlement resolved 90 percent of the claims pending against Owens Corning and almost all the claims against

Fibreboard.

Fibreboard reported about 128,000 claims pending against it as part of the disputed Ahearn settlement. Also known as Ortiz v. Fibreboard, settlement approval is pending in the U.S. Supreme Court. If the Ahearn settlement is rejected, more than 100,000 of the Fibreboard claims will be settled under the National Settlement Program, Owens Corning said.

There were 154,000 pending claims against Armstrong World Industries at the end of 1998, the company reported. During 1998, the number of pending claims increased by 71,000, which was higher than the company anticipated. Armstrong said it believed the unexpected increase was partially due to acceleration of pending claims as a result of the Supreme Court's Georgine decision.

W.R. Grace & Co. said it was a defendant in about 45,100 asbestos lawsuits at year-end 1998, including 14 property damage claims. This was an increase from the 40,600 lawsuits reported at the end of 1997, including 18 property damage claims.

Grace said two new property damage cases and 20,993 personal injury cases were filed against the company in 1998, compared to one new property damage case and 30,339 personal injury cases in 1997.

Owen-Illinois Inc. reported 14,000 asbestos claims pending at the end of the year, with 7,000 new claims filed during the year and 7,000 claims resolved. This is compared to the 14,000 claims that were pending at the end of 1997, with 5,000 new claims filed and 7,000 resolved that year.

Owens-Illinois said that, at the end of 1998, the company disposed of approximately 213,000 asbestos claims at an average indemnity payment per claim of approximately \$4,400. This was up slightly from the 210,000 claims resolved in 1997 at an average payment of \$4,200 per claim.

New claims filed in 1998 against U.S. Gypsum nearly quadrupled to 80,000 claims, from 23,500 claims in 1997. The company suggested that the increase is due to the U.S. Supreme Court ruling striking down the Georgine v. Amchem global settlement in 1997. As of Dec. 31, 1998, U.S. Gypsum was a defendant in 98,000 personal injury cases, as well as an additional 43,000 cases that settled but will be closed over time.

Approximately 62,400 asbestos personal injury claims were reported pending against Foster Wheeler Corp. at the end of 1998. There were about 65,000 claims pending at the same time in 1997, a decrease of 2,600 claims, the company said. About 24,000 new claims were filed in 1998, down from the 29,800 new claims reported in 1997.

GAF Corp. reported an increase of 62,600 claims from 1997; Pfizer saw a 14,490-claim increase; and CBS Corp., formerly Westinghouse Electric Corp., reported a 2,500-claim decrease from 1997.

"Well you can certainly say that asbestos is the EverReady Bunny of litigation," said Scott Jacobs, editorial director at Mealey's. "It just keeps going and going and right now there is no end in sight."

Full coverage of the asbestos defendants' filings appeared in the May 7 issue of Mealey's Litigation Report: Asbestos. For a free sample of the report or subscription information, call 1-800-MEALEYS, 610-767-7800 or e-mail: news@mealeys.com.

In addition to Asbestos litigation, Mealey's publishes litigation newsletters on Year 2000 (Y2K); lead paint exposure, cyberlaw and technology insurance; drugs and medical devices, insurance coverage; bad faith; breast implants; Superfund; toxic torts; fen phen and diet drugs; tobacco; insurance fraud, insurance insolvency; latex, patents and intellectual property; managed care; expert admissibility (Daubert) and international arbitration. A new monthly report on attorneys fees has just been announced. For a free sample of Mealey's Attorney Fees, call 1-800-MEALEYS.

Mealey's also sponsors conferences many of these same subjects. Mealey's Asbestos Litigation Conference will take place Sept. 30-Oct. 1 in Boston. Information: 1-800-MEALEYS or seminars@mealeys.com. Other Upcoming conferences include: California Emerging Toxic Torts, June 14-15 in Marina Del Rey, Calif.; Year 2000 (Y2K) Insurance, July 15-16 in San Francisco; and Insurance Insolvency, August 2-3.

SOURCE Mealey Publications

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