PLAINTIFF'S EXHIBIT
KR-19b

A-920,967-C

ROBERT L. ABERNATHY, ET AL	§	IN THE DISTRICT COURT OF
V.	§	ORANGE COUNTY, TEXAS
A C & S, INC., ET AL	§	128TH JUDICIAL DISTRICT

A-920,961-C

INA SUE BAILEY, ET AL	§	IN THE DISTRICT COURT OF
V.	§	ORANGE COUNTY, TEXAS
A C & S, INC., ET AL	§	128TH JUDICIAL DISTRICT

A-930,553-C

EDSEL DEWELL CARDWELL, and wife, LINDA CARDWELL, et al	§	IN THE DISTRICT COURT OF
V.	§	ORANGE COUNTY, TEXAS
A C & S, INC., ET AL	§	128TH JUDICIAL DISTRICT

NO. A930,810-C

BEN GRADY GILBERT, AND WIFE, RUBY GILBERT	§	IN THE DISTRICT COURT OF
VS.	§	ORANGE COUNTY, TEXAS
A.C. AND S., INC., ET AL	§	128TH JUDICIAL DISTRICT

DEFENDANT KAISER ALUMINUM'S SUPPLEMENTAL ANSWERS TO PLAINTIFFS' INTERROGATORIES REGARDING FINANCIAL DATA CONCERNING PUNITIVE DAMAGES

TO: PLAINTIFFS, BY AND THROUGH THEIR ATTORNEY OF RECORD, ANN K. RITTER AND D. SCOTT BEARD, NESS, MOTLEY, LOADHOLT, RICHARDSON & POOLE, P.A., 151 MEETING STREET, SUITE 600; CHARLESTON, SOUTH CAROLINA 29401

Pursuant to the Texas Rules of Civil Procedure, Defendant KAISER ALUMINUM submits the following supplemental answers to Plaintiffs' Interrogatories Regarding Financial Data Concerning Punitive Damages in the above entitled cause of action.

Respectfully submitted,

JENKINS, GROVE & MARTIN

LOUIS H. KNABESCHUH, JR.
STATE BAR NO. 11578820
P.O. BOX 26008
BEAUMONT, TEXAS 77720-6008
TELEPHONE (409) 832-4100
TELECOPIER (409) 832-4242

ATTORNEYS FOR DEFENDANT,
KAISER ALUMINUM & CHEMICAL
CORPORATION

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been forwarded to Plaintiffs' counsel by certified mail, return receipt requested, and to all other counsel of record by regular U.S. mail on this 8th day of March, 1996.

LOUIS H. KNABESCHUH, JR.

INTERROGATORIES

Interrogatory No. 1.: In the format attached, please provide a schedule of insurance for your business entity and for all associated business entities for which you claim or have claimed in the past that asbestos related insurance coverage exists or is currently believed to exist for alleged asbestos related injury arising from asbestos related products with which you and your associated business entity(s) were involved.

Set forth hereafter (1) guidelines and definitions to assist in the completion of the Schedule of Insurance and (2) the forms of schedules to be used in order to compile the data requested.

All policies of insurance affording general liability, products liability, or premises coverage applicable to injuries allegedly caused by asbestos and asbestos-containing products should be scheduled hereunder.

(1) Insurer: Specify exactly as named in the insurance policy or other evidential document of coverage.

(2) Insured: The insured named in the policy.

(3) Policy Period: Refer to the actual period for which the insurance policy is in effect.

(4) Policy Type: Specify whether primary excess or self-insured.

(5) Policy Form: Enter the applicable code (from subparagraphs A-I below) that describes the insurance policy form.

A. Pre-1966 Standard Form Insurance Policy. (Pre-1966 Standard Form Insurance Policy means an insurance policy containing substantially the same defense of suits clause as the pre-10/1/66 National Bureau of Casualty Underwriters editions of the standard general liability policy).

B. The insurance policy does not pay allocated expenses following exhaustion of aggregate limits. (Allocated expenses means all fees and expenses incurred for services performed directly attributable to the defense and disposition of a particular asbestos-related claim.

C. The insurance policy does pay allocated expenses following exhaustion of aggregate limits.

D. The insurance policy expressly provides coverage on a specific manifestation basis.

E. The insurance policy expressly provides coverage on a claims-made basis.

F. The insurance policy expressly provides coverage on a first discovery basis.

G. The insurance policy pays allocated expense and such expenses do not apply against aggregate limits.

H. The insurance policy pays allocated expenses and such expenses apply against aggregated limits.

I. The insurance policy does not pay allocated expenses.

(6) Per Occurrence/
Accident limits: Refer to the limit for any one occurrenceor (sic) any one accident.

(7) Products Aggregate:
Refer to the aggregate limit applicable to products bodily injury liability coverage. Certain insurance policies may contain a combined aggregate for bodily injury, property damage, and other covered perils; if so, refer to the combined limit.

(8) Products Aggregate Consumption:
The function of the Aggregate Consumption Summary is to track the consumption of total products liability aggregate limits claims. List such consumption.

(9) Types of Deductibles and Retentions:
Enter the codes applicable (from subparagraphs J-O below) that describe the type of deductible or retention and thereafter, the amount:

J. Per occurrence deductible
K. Per claim deductible
L. Deductible reduces the aggregate limits of the insurance policy
M. Self-insured retention
N. Loss limit
O. Other

(10) Policy Number:
Specify exactly as contained on the insurance policy or other evidential document of coverage.

(11) Insurer Objection:
Specify the basis upon which the relevant insurer refuses to fully pay claims based upon demand, if any, using codes provided in subparagraphs A-N below. If the insurer has not objected to payment, or is paying, please simply note N/A.

A. Policy canceled
B. Policy never issued
C. Failure to disclose material underwriter information.
D. Failure to give notice
E. Failure to pay premiums
F. Prejudice of subrogation rights
G. Manifestation theory
H. Exposure theory
I. Diagnosis theory
J. Insurer involvement, bankrupts, in receivership, etc.
K. Consent to pay settlements or expenses not requested or given
L. Failure to assist or cooperate
M. Occurrences were expected or intended
N. Short policy pro-ration

ANSWER:

See Attachment "A" which is incorporated herein.

INSURANCE SUMMARY

Interrogatory No. 2.: Based upon the definitions, guidelines and information provided in Interrogatory #1, please provide the following insurance summary information for your business entity and for all associated business entities for which asbestos related insurance coverage exists or is believed to exist in the format suggested below.

ANSWER:

See Attachment "A" which is incorporated herein.

RE-INSURANCE

Interrogatory No. 3.: Please answer the two preceding interrogatories as to each policy of reinsurance, agreement with retroconcessionaries, program of self-insurance retention (SIR), and liability insurance policy for which defendant, defendant's predecessors-in-interest or defendant's subsidiaries are or have been an additional insured.

ANSWER:

See Attachment "A" which is incorporated herein.

SUPPLEMENTAL INSURANCE ISSUES

Interrogatory No. 4.: Please state the following as to each of the policies of insurance, whether primary, excess, additional insured, or reinsurance, identified in the preceding interrogatories:

A. The name and address of the insurance agency or broker through whom the insurance coverage was procured;

B. The liability policy limit or limits and, if applicable, the date upon which the limits were paid out or exhausted;

C. The annual amounts of carrier indemnity payments, carrier costs for defense attorneys fees, and carrier litigation related expenses (expert witnesses, depositions, etc.) paid or allocated for each year for which the policy in any manner applied to asbestos litigation risks;

D. The internal or other costs of defendant incurred or allocated, on an annual basis, in connection with administration or application of the policy, including the costs of any underlying litigation concerning application of the policy;

E. Whether or not in your opinion the insurance policy provides coverage for the acts alleged in plaintiff's complaint or any judgement which may be entered against defendant in this lawsuit;

F. Whether the policy has been the subject of litigation, mediation, or arbitration, and if so, identify all details concerning the litigation (e.g. court, full caption, date of filing, outcome, counsel for all sides, etc.);

G. Whether any deductibles apply to the policy, and if so, describe in detail; and

H. Whether the policy covers indemnity plus costs of defense, ultimate net loss, indemnity only, or other.

ANSWER:

See Attachment "A" which is incorporated herein.

INDEMNIFICATION

Interrogatory No. 5.: Other than the insurance policy previously listed above, are you affected by any contract or agreement providing for your indemnification for any claims or judgements for personal liability or property damage? If so, please state:

A. The name and address of the indemnitor;

B. The contract or agreement under which such indemnities are claimed;

C. The nature and terms of the indemnifying agreement; and

D. Identify all documents related to the subject matter of this interrogatory.

E. Other than as may have been listed in response to above Interrogatories, is there in existence or has there been in existence, any bond, guarantee or suretyship in favor of the defendant for acts performed by the defendant, liability, personal injury, or property damages arising from your business operations? If so, please state the name and address of the bonding company, guarantor or surety, the effective dates of coverage, and the nature and extent of the coverage provided, including limits of liability.

ANSWER:

Defendant incorporates herein its response to Interrogatory No. 1 as though copied verbatim. Defendant incorporates all objections and responses as contained in its answer to Interrogatory No. 1. Subject to and without waiving those objections, defendant further responds that it is not aware of any such bond, guarantee or suretyship which, based on its present understanding of the claims in the *Abernathy, Bailey, Cardwell,* and *Gilbert* actions, appears to be implicated.

Interrogatory No. 6.: For each policy of insurance identified in response to Interrogatory #1, identify any agreement - oral or in writing - which supposedly modified the policy and identify each person with knowledge and each document pertaining to such modification.

ANSWER: See answer to Interrogatory No. 1 above.

Interrogatory No. 7.: For each insurance policy identified in Interrogatory #1, please state the amounts of coverage you contend is remaining in each policy of insurance, which may be available to indemnify this answering defendant for settlements, verdicts, judgments and claims arising out of the asbestos litigation.

ANSWER:

See answer to Interrogatory No. 1 above.

FINANCIAL INFORMATION

Interrogatory No. 8.: State the following year-end financial information (in millions of dollars) for your business using the accounting definitions routinely used by your business at that time:

Cash Flow

Gross Sales	Income from Operations	Current Assets	Current Liabilities	Net Income	Net Worth
1987					
1988					
1989					
1990					
1991					
1992					
1993					

ANSWER:

See the attached Annual Reports for 1987 - 1993.

Interrogatory No. 9.: State the same information above for each quarter for the year 1994 as has been reported to date.

Cash Flow

Gross Sales	Income from Operations	Current Assets	Current Liabilities	Net Income	Net Worth
1994:					
1st					
2nd					
3rd					
4th					

ANSWER:

See the attached Annual Report for 1994.

VALUATION

Interrogatory No. 9.: Has any form of fair market valuation ever been made of defendant, or any of its assets, such as specific divisions, subsidiaries, land holdings, etc.? (Include any valuations or appraisals made for insurance purposes.) If so, please state as to each such valuation:

A. What asset or assets were the subject of the valuation;

B. Who made the valuation, and when;

C. What value was placed on the asset or assets; and

D. Identify all documents related to the valuation.

ANSWER:

See the attached Annual Reports for 1987 - 1994.

ASSET SALES

Interrogatory No. 10.: Have there been any sales of one or more significant or material assets of defendants at any time within the past ten years (e.g., a subsidiary, manufacturing plant, or land holding), other than in the normal course of business operations? If so, please state the following as to each such sale:

A. What assets or holdings were the subject of the sale;

B. Who was the seller and who was the buyer;

C. What were the significant terms of the sale, including the purchase price or other consideration exchanged in the transfer;

D. When was the closing date for the sales agreement; and

E. Identify all documents governing and relating to the terms and condition for the sale.

ANSWER:

See the attached Annual Reports for 1987 - 1994.

LBO'S OR FINANCIAL RESTRUCTURING

Interrogatory No. 11.: Has defendant or any of its subsidiaries at any time within the past ten years been the subject of a leveraged buy-out, or other form of financial transaction involving a substantial increase in its debt obligations? If so, please state the following as to each such leveraged buy-out, or other form of financial transaction increasing debt:

A. Summarize the nature of the transaction;

B. When was the closing date for the formal agreement;

C. Identify the principal parties to the transaction;

D. Were any SEC filings made as to any marketable instrument associated with the transaction, and if so, identify the filing and its filing date;

E. Identify all documents governing or relating to terms and conditions for the transaction;

F. Was any litigation filed challenging the transaction, and if so, state the following as to each such suit:

1. The full caption, including court and jurisdiction;
2. The nature of the challenge posed in the complaint;
3. The plaintiff attorney and firm who filed the complaint;
4. Whether anyone was deposed in connection with the suit, and if so, who, where, when and by whom;
5. The outcome of the suit, and
6. Identify all documents related to the suit.

G. Identify all investment banking concerns, accountants, and law firms involved in the transaction, and describe their roles in detail.

ANSWER:

See the attached Annual Reports for 1987 - 1994.

Interrogatory No. 12.: Has defendant or any of its subsidiaries at any time within the past ten years been the subject of any financial transaction which significantly changed the capitalization of the company, such as a leveraged buy out, new stock or debt issuance, stock buy back, or any other forms of financial transaction involving a substantial increase in its debt obligation not otherwise addressed in Interrogatories 11 and 12? If so, please respond to the same questions posed in subparagraphs A-G of Interrogatory #12.

ANSWER:

See the attached Annual Reports for 1987 - 1994.

Interrogatory No. 13.: Has defendant or any of its subsidiaries within the last ten years paid any special shareholder dividends, including a spin-off of shares of a subsidiary to shareholders, a one time cash dividend, dividends of stock or debt (other than a stock split)? If so, please answer each question posed in subparagraphs A-G of Interrogatory #12.

ANSWER:

See the attached Annual Reports for 1987 - 1994.

SUPPLEMENTAL ISSUES

Interrogatory No. 15.: What are the current credit facilities available to defendant and its subsidiaries, including bank lines of credit, unissued debt under outstanding shelf registration filings with the SEC?

ANSWER:

See the attached Annual Reports for 1987 - 1994.

Interrogatory No. 17.: For each of the last five (5) years state the actuarial surplus or deficit as reported to the United States Government in compliance with Employer Retirement Income Security Act (ERISA) of each and every pension plan by you for your employees.

ANSWER:

See the attached Annual Reports for 1987 - 1994.

Interrogatory No. 18.: For each of the last ten (10) years, identify any off-balance sheet transaction, lease, asset, liability, or other factor that would have material effect on your financial condition as per trade on your balance sheets.

ANSWER:

See the attached Annual Reports for 1987 - 1994.

Interrogatory No. 19.: Please state for each of the last five (5) years the following financial ratios applicable to this answering defendant:

(a) current ratio;

(b) quick ratio;

(c) income after taxes to sales;

(d) income before interest and taxes to sales;

(e) income after taxes to equity;

(f) sales to assets;

(g) sales to equity;

(h) sales to inventory

(I) equity to assets;

(j) equity to debts

(k) cost of goods sold to sales; and

(l) general and administrative expense to sales

ANSWER:

See the attached Annual Reports for 1987 - 1994.

Interrogatory No. 21.: If you are part of a holding company structure, identify all payments of dividends, corporate allocations and charges for corporate expenses made by you to the parent corporation.

ANSWER:

See the attached Annual Reports for 1987 - 1994.

Interrogatory No. 22.: If you contend that you are unable to pay an award of punitive damages because of your financial condition or otherwise, state the facts upon which you base such contention and identify all documents in support thereof.

ANSWER:

There has been no punitive damage aware rendered against this Defendant in any of these actions or in any other personal injury asbestos litigation. Absent any such award, or any notion of the amount of any such award imagined by Plaintiffs, this Defendant is not in a position to meaningfully respond to this Interrogatory. In the event that this Defendant is faced with the prospect of paying a large punitive damage award(s) and believes that it is not in a position to do so, it will appropriately supplement its answer to this interrogatory.

Interrogatory No. 23.: State separately as to each expert you intend to call on the issue of punitive damages, the subject matter on which said expert is expected to testify, state the substance of the facts and opinions to which the expert is expected to testify, and set forth a summary of the grounds of each such opinion. Supplement this answer you ascertain any additional expert witness.

ANSWER:

Since there has been no finding of liability against this Defendant in any cause of action included within the *Abernathy, Bailey, Cardwell* and *Gilbert* actions, it has not retained any expert(s) to address the issue of punitive damages in this litigation. In the instance that this Defendant does retain any expert to testify on punitive damages for purposes of this litigation, it will timely provide the requested expert disclosure.

Interrogatory No. 24.: For each expert whom you expect to call on the issue of punitive damages as a witness at trial, identify by case name, date, court and docket number any deposition and/or trial testimony given by each such expert, and identify the custodian and location of such transcripts.

ANSWER:

In the instance that an expert is retained by this Defendant to testify on the issue of punitive damages, this Defendant will make the expert available for deposition upon request by Plaintiffs. At such deposition, Plaintiffs' counsel can make reasonable inquiry concerning any past testimony of the expert that relates to any opinions to be offered by the expert in this litigation.

Interrogatory No. 25.: State the name and address of each person whom you expect to call as a non-expert witness on your behalf on the issue of punitive damages at trial and if that person has previously testified in a trial or deposition in a court of administrative proceeding involving asbestos-related cases, identify each such person by name, date, court or administrative agency, and docket number of each such preceding and identify the custodian and location of such transcript of that person's testimony at such proceeding.

ANSWER:

This Defendant is not able to meaningfully respond to this Interrogatory given its lack of information concerning the basis for any punitive damage claim(s) against it. Once Plaintiffs have stated with particularity for purposes of each individual Plaintiff's case the specific factual basis for claiming punitive damages against this Defendant, this Defendant will identify persons believed to have personal knowledge concerning the issues raised by Plaintiffs. In order to meaningfully respond to this Interrogatory on a case-specific basis, this Defendant will need an identification of the particular Plaintiff's jobsite and work duties, the trade name of each product alleged as a source of exposure, the dates of the alleged exposure, the alleged use of any identified product, and the specific basis for claiming that this Defendant appreciated at the particular time any alleged hazard posed by the particular use of the product. Once supplied with this information, this Defendant should be in a position to identify those individuals, on a case-by-case basis, it believes have personal knowledge of facts material to a contention that punitive damages should not be awarded against it.

Interrogatory No. 26.: Identify all documents that you will use in support of your defense that you are not liable for punitive damages.

ANSWER:

Defendant has not yet determined what documents might be offered to support the contention that it is not liable for punitive damages. Such a determination will be premised upon the particular facts and allegations of each individual claim in which punitive damages is sought. To date, Plaintiffs have failed to specify with respect to any individual Plaintiff's claims the factual basis for pursuing punitive damages against this Defendant. After Defendant has received such information for purposes of each individual Plaintiff's case in which punitive damages are claimed against this Defendant, to the extent required by any applicable pretrial order or as agreed upon with Plaintiffs' counsel pursuant to a reciprocal exchange of trial exhibits, this Defendant will identify those documents that it intends to offer in support of a contention that it is not liable for punitive damages.

Interrogatory No. 27.: Name any person, not heretofore mentioned, having personal knowledge of the facts material to the issue of punitive damages in this case.

ANSWER:

This Defendant is not able to meaningfully respond to this Interrogatory given its lack of information concerning the basis for any punitive damage claim(s) against it. Once Plaintiffs have stated with particularity for purposes of each individual Plaintiff's case the specific factual basis for claiming punitive damages against this Defendant, this Defendant will identify persons believed to have personal knowledge concerning the issues raised by Plaintiffs. In order to meaningfully

respond to this Interrogatory on a case-specific basis, this Defendant will need an identification of the particular Plaintiff's jobsite and work duties, the trade name of each product alleged as a source of exposure, the dates of the alleged exposure, the alleged use of any identified product, and the specific basis for claiming that this Defendant appreciated at the particular time any alleged hazard posed by the particular use of the product. Once supplied with this information, this Defendant should be in a position to identify those individuals, on a case-by-case basis, it believes have personal knowledge of facts material to a contention that punitive damages should not be awarded against it.

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