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# NEWS RELEASE

**Immediate Release**

**Contact:** Andrew Simonelli  
**Phone:** 202.785.7872  
**Email:** [simonelli@actuary.org](mailto:simonelli@actuary.org)

## **New Report on Asbestos Litigation Trends and Reforms**

**Washington, D.C. – 3 February 2006** – The American Academy of Actuaries’ Mass Torts Subcommittee released a report today, *Current Issues in Asbestos Litigation*, examining recent trends in asbestos litigation. Included is a brief overview of asbestos litigation and highlights of recent changes in the litigation environment.

According to the report, at least half a million more asbestos claims are expected to be filed over the next several decades. However, resources to compensate victims of asbestos diseases are limited and the litigation has resulted in at least 78 corporate bankruptcies.

Despite the huge costs, the asbestos litigation system has been inefficient, with only 41% of total spending reaching claimants. Two concerns identified in the report are: 1) the sickest individuals might not be compensated adequately or promptly, and 2) the majority of claimants in recent years have not shown signs of impairment, which has led to stricter medical criteria for bringing a claim in some forums.

While Congress has been debating the issue during the past few years, several state and local jurisdictions have implemented their own reforms. “Stricter medical criteria, combined with heightened scrutiny of potentially fraudulent claims, might lead to fewer mass settlements of pending claim inventories and will likely affect whether and how mass screening activities are conducted in the future,” said **Jenni Biggs, Chairperson of the subcommittee.**

Projections of future asbestos costs are uncertain because historical data is incomplete, the litigation environment is changing, and asbestos diseases will emerge over the next several decades. “Claims for malignant diseases are estimable based on the population exposed, timing of exposure and disease latency. However, estimating the number of claims for nonmalignant diseases is much more difficult because of the complexity of the asbestos litigation environment,” Biggs said. “Nonetheless, informed and objective analysis can provide meaningful support to the public policy debate.”

Copies of the report can be found at [www.actuary.org](http://www.actuary.org) . To schedule an interview with an Academy spokesperson, please contact Andrew Simonelli, media relations manager, at 202.785.7872.

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