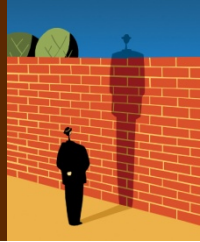
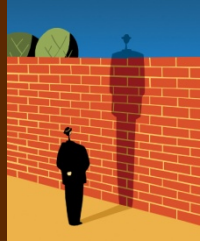


# Overview

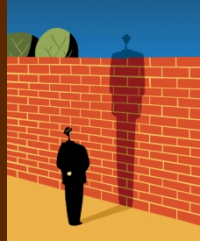


Subrogation is the process and the right of the workers' compensation insurer or the self-insured employer to recover the money paid on a workers' compensation claim from another party when the other party is responsible for the employee's injuries. In civil law, the principle of negligence guides and determines who should pay for damages caused to another. Basically, the simplest way of putting it "if someone else is at fault, they should pay for it." Every workers' compensation claim should be reviewed for subrogation potential when it is reported. Unfortunately, most workers' compensation adjusters are experts in workers' compensation but have little or no knowledge of liability claims. This results in the work comp adjusters frequently missing opportunities for subrogation.



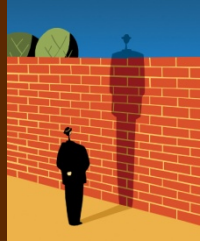
## Workers' Comp Payment Issues

- Major workers' comp carriers have been and continue to pay millions each year to asbestos tort claimants or their widows
- Oftentimes the plaintiffs' counsel filing the workers' comp claim is different than the counsel filing the tort claim
- Efforts to search the courts for evidence of claim filing activity that might lead to workers' comp recoveries are extremely expensive and time consuming



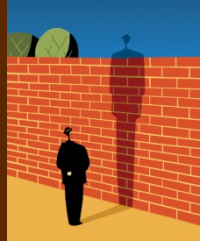
## Sample: Workers' Comp Claimant - Asbestos Claims File

- Comprehensive database of asbestos tort claimants does exist
- Publicly available information helps construct a file for use by a workers' comp claims handler to approach workers' comp payees about a potential lien on tort recoveries
- The Asbestos Trust databases will highlight additional monies a workers' comp claimant may eventually collect and make available as reimbursement for workers' comp monies collected
- Identify trusts that you may be able to “step in the shoes” of the claimant and file a claim when the claimant does not have an incentive to do so



## Bankruptcy Trust Offset Database (BTO)

- Approved Jobsite and Payout Data compiled from more than two dozen major Asbestos Bankruptcy Trusts
  - Over 140,000 Approved Jobsites across 63 U.S. States, Territories and Canadian Provinces
  - Comprehensive exposure history (jobsite, occupation, etc.) for each asbestos claimant
  - Up-to-date Payment Percentages and disease specific Payouts
- Periodic updates to incorporate latest Trust developments



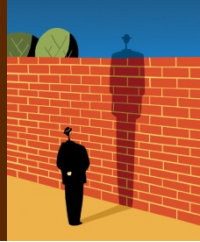
## Sample: Bankruptcy Trust Offset Detail

Claimant level reports of potential Bankruptcy Trust payouts, including:

- Ability to provide accumulated substantial exposure history for every claimant and / or receive latest exposure updates via client processes (e.g., real-time via outside counsel input)
- Match claimant exposure history (jobsite, occupation, etc.) to trust jobsite and occupational matrices
- Estimate of total offset based on average payouts

Provide unique insights into total potential Bankruptcy Trust recoveries for an individual claimant; essential when assessing total potential payments available for a claimant across tort and bankruptcy systems.

# Get Bankrupt Parties on the Verdict Sheet



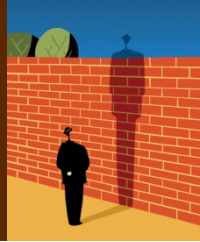
## Push for Transparency in Trust Payments

### Recent Bankruptcy Filings Drawing Attention to Bankruptcy Trust Offset Issue

Excerpt from Garlock June 5, 2010 press release:

“... Garlock previously believed that as billions of dollars of trust assets became available to claimants, Garlock would be able to obtain significant reductions in the costs to defend and resolve claims. However, these wealthy trusts have adopted distribution rules and procedures designed to allow claimants to collect payments from the trusts in secret. As a result, when making claims against Garlock, claimants are able to conceal their claims against the trusts and the evidence that friable products of the former defendants contributed to their diseases. The trust procedures enable claimants to "double dip" — that is, collect payments from Garlock and other defendants in the tort system for injuries caused by the former top tier defendants while simultaneously collecting substantial additional amounts from 524(g) trusts established by those former defendants to pay asbestos claims.”

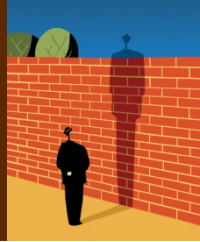
# Read and Understand the TDP's



## Material Potential Trust Recoveries Sample Trust Payouts

TRUST NAME	AVERAGE MESO VALUE	PAYMENT PERCENTAGE	POTENTIAL OFFSET
Western Asbestos - California	\$ 524,025	44.00%	\$ 230,571
Western Asbestos - Minnesota	\$ 316,250	44.00%	\$ 139,150
A.P. Green	\$ 225,000	45.00%	\$ 101,250
United States Gypsum	\$ 225,000	45.00%	\$ 101,250
DII Industries - Harbison Walker	\$ 182,000	52.50%	\$ 95,550
JT Thorpe Settlement Trust	\$ 150,000	40.00%	\$ 60,000
The Lummus Company	\$ 60,000	100.00%	\$ 60,000
Western Asbestos - North Dakota	\$ 117,087	44.00%	\$ 51,518
Combustion Engineering - Landbase Boiler	\$ 95,000	48.33%	\$ 45,913
Combustion Engineering - Products	\$ 95,000	48.33%	\$ 45,913
Combustion Engineering - Shipyards	\$ 95,000	48.33%	\$ 45,913
Combustion Engineering - Vessels	\$ 95,000	48.33%	\$ 45,913
DII Industries - Halliburton	\$ 76,400	52.50%	\$ 40,110
JT Thorpe Company Successor Trust	\$ 100,000	38.00%	\$ 38,000
Owens Corning	\$ 270,000	10.00%	\$ 27,000
:	:	:	:

# Sample Calculation

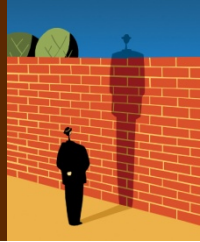


## Summary of Potential Trust Offsets for Claimant Based on Confident Matched Jobsites

Trust	Confident Matched Jobsites	Trust Average Valuation for Specified Claimant Disease	Trust Payment Percentage	Imputed Trust Potential Offset
A&I Corporation	0	\$26,253.90	100.00%	\$0.00
A.P. Green	3	\$225,000.00	45.00%	\$101,250.00
A-Best	0	\$30,500.00	17.40%	\$0.00
AC and S	0	\$220,000.00	5.78%	\$0.00
Armstrong World Industries	1	\$130,500.00	20.00%	\$26,100.00
•	•	•	•	•
•	•	•	•	•
•	•	•	•	•
United States Gypsum	0	\$225,000.00	45.00%	\$0.00
United States Mineral Products Company	0	\$10,000.00	12.50%	\$0.00
Western Asbestos - California	0	\$524,025.00	44.00%	\$0.00
Western Asbestos - Minnesota	0	\$316,250.00	44.00%	\$0.00
Western Asbestos - North Dakota	0	\$117,087.00	44.00%	\$0.00
<b>Total</b>	<b>39</b>	<b>\$ 4,562,015.90</b>		<b>\$596,503.50</b>



# Sample Calculation



## Detail of Trust Jobsites Matched to Claimant Jobsites

	<b>Claimant Jobsite Number:</b>	1		
	<b>Jobsite Name:</b>	AMOCO OIL		
	<b>City:</b>	YORKTOWN		
	<b>State:</b>	VA		
	<b><u>Confident Matched Jobsites</u></b>			<b><u>Trust</u></b>
1	Amoco Oil Company			C. E. Thurston and Sons
2	Amoco Oil Refinery			Porter Hayden Company
	<b><u>Possible Matched Jobsites</u></b>			<b><u>Trust</u></b>
1	Amoco			Fibreboard
2	AMOCO			Owens Corning
3	Amoco			JT Thorpe Company Successor Trust
4	AMOCO			Shook & Fletcher
5	Amoco			Eagle-Picher
6	AMOCO CORP			Babcock & Wilcox