



somewhat  
different

Asbestos claims abating in Europe and United States,  
but severe potential developing in Asia

## Asbestos

Asbestos is the umbrella term for natural, friable fibre-forming silicon minerals, that are resistant to heat and corrosion. It is used in the building and manufacturing industries. Some of its more common uses are in pipe and duct insulation, fire-retardant materials, brake and clutch linings, cement, and some vinyl floor tiles.

With breathing asbestos fibres usually enter the human body via the airways. In the respiratory system fibres cause a chronic inflammation process and over a longer period stiffening of lung tissue by fibrous deposits. This impairs breathing and is the leading symptom of asbestos related breathing disorder called asbestosis. Signs and symptoms of asbestosis usually don't appear until years after exposure. Once apparent, the condition often worsens and can lead to disability and even death if exposure to asbestos continues. Long term asbestos exposure may lead to induction of a specific tumour of the pleura, called mesothelioma. The prognosis for mesothelioma is almost always poor and most studies report a median survival of less than one year after diagnosis. The lag time from first exposure to diagnosis is 20 to 40 years. However, in about half the cases there is no history of asbestos exposure, and the cause is unknown. People most at risk of developing asbestosis and mesothelioma are those who've had at least 10 years exposure to asbestos, such as workers who were involved in mining, milling, manufacturing or installation of asbestos products.

The aforementioned medical risks led to abundant claims and litigations in almost every industrial country. Asbestos litigation is the longest and most expensive mass tort in United States history. The total cost of asbestos litigation in US alone is estimated over 250bn USD. Due to the nature of their statutory insurance systems most European countries have fund-based compensations for asbestos related impairments.

Globally, asbestos-cement products are expected to be the leading market for asbestos. World production is likely to remain steady at approximately 2.0 million metric tons for the near future owing to continued demand for asbestos products in many regions of the world. In 2015 Russia was

by far the largest producer (55%), followed by China (20%), Brazil (15%), and Kazakhstan (10%).

Most of the countries with the sharpest increases in asbestos use are in Asia and the majority of people now being exposed to asbestos live and work in Asia. Asian countries account for about 50% of the global asbestos use. A striking contrast in asbestos use can be seen across Asia. Industrialized countries show a steady decrease in asbestos use, whereas the developing and newly industrialized countries show a definite increase. Top consumers are China, Russia, India, and Brazil. While asbestos mining is currently banned in India, its import, export or use in manufacturing is permitted.

Insurance industry may receive claims form different lines of business. In particular product liability, employers' liability, workers compensation and D&O are at risk to create major losses.

The main future exposure for asbestos litigation can be expected in the major consumer countries. As in several other regions, the characteristics in these countries are an unconfined use and/or production of asbestos and complete or partially low standards in workplace security. Due to the insufficient health statistics and protracted health effects a high burden of asbestos related diseases and death cases is to be anticipated in these countries during the next decades. For China experts predict an annual death toll from mesothelioma and related diseases of 15.000 by 2035. In contrast European countries and the US have seen the peak of the asbestos epidemic already.