



**EXPERTISE.  
INTEGRITY.  
RESULTS.**

## **QUANTITATIVE SERVICES (LOSS ALLOCATION & DATA ANALYSIS)**

---

The Quantitative Services practice of Alan Gray, Inc. provides loss exposure analysis through complex data analysis, claim allocation modeling, and the development of decision-making tools. Experienced staff members are dedicated to providing superior service with an emphasis on presenting results in a manner most useful to the clients' needs. Services have been provided to insurers, reinsurers, claims counsel and others for various types of claims, including asbestos, hazardous waste, lead, chemical, intellectual property and professional liability.

### **Quantitative Services Can Include:**

**Allocation modeling to support settlement negotiations, cost-share agreements and post settlement allocations in support of reinsurance recoveries.**

**Account reconciliation services to quantify insurers' payments and verify proper allocation to policies to support policy exhaustion and effectuate reinsurance recoveries.**

**Exposure analysis (DOFE curve) under various trigger theories associated with mass tort claims and litigation.**

**Employment of the decision tree approach to provide a range of settlement outcomes and a sensitivity analysis to help identify key issues from a financial impact perspective.**

**Projections of future exposure to be used to counter an insured's projections or for in-house reserving/cash flow analysis.**

**Detailed data analysis using complex queries to provide loss and exposure statistics and trending.**

**Identification of data anomalies in the mass tort arena using data mining and standardization techniques.**

**Design and maintain custom applications developed in .Net/Access.**

**Assistance by staff to support arbitration or litigation efforts including testifying as expert witnesses on data analysis and allocation services.**

### **Sample Engagements:**

- Counsel for a joint defense group requested data analysis and an expert report that resulted in a favorable summary judgment in an asbestos case where plaintiffs were seeking in excess of \$100,000,000. Alan Gray, Inc. analyzed underlying claimant data, performed an audit of the underlying claims and calculated product exposure points corresponding to the insured's ownership of the asbestos product.
- An account reconciliation on payments made on a chemical exposure case resulted in the collection of \$4,000,000 in deductibles from the insured. Alan Gray, Inc.'s analysis determined that the insured's data reporting techniques aggregated losses rather than applying per claim deductibles, resulting in a lower assessment of deductible dollars.
- Contracted to provide services in a complex hazardous waste litigation, the staff worked with the insured's counsel to develop and employ a decision tree analysis in conjunction with a number of standard allocation runs, to value their settlement options. After factoring in the appropriate coverage discounts, the client was supplied with a working model in which they were able to change the probabilities of success/failure at their discretion. The result was a favorable settlement where the insured paid approximately 10% of their exposed limits, 75% less than originally demanded.

88 Broad Street  
Boston, MA 02110  
Tel + 1 617.426.6255  
Fax + 1 617.695.9084

9 East 40th Street  
12th Floor  
New York, NY 10016  
Tel + 1 212.685.9026  
Fax + 1 212.685.9067

9 St. Clare Street  
London, England EC3N 1LQ  
Tel + 44 (0) 20 7954 4366  
Fax + 44 (0) 20 7954 4350