



STEPHEN C. MOSELEY

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SUMMARY

Steve Moseley is a Managing Director in the Chicago office of Berkeley Research Group, LLC (“BRG”), and a leader in the Business Insurance Claims practice. He has over 20 years of experience providing forensic accounting, damage quantification, and business insurance claim consulting services to clients. He has been retained on numerous complex damages matters related to breach of contract, construction and builder’s risk claims, property damage, business interruption, extra expense, product recalls, data breach/cybercrime, crime/fraud, 3rd party liability including environmental, asbestos, and other health hazard claims.

Mr. Moseley has led multidisciplinary teams to investigate loss events, provide forensic accounting, calculate damages in commercial disputes, and perform analytics on large volumes of data. He has performed this work in connection with commercial litigation, contract disputes, complex investigations, insurance coverage disputes, mass tort litigation, bankruptcies, and class actions. In addition, Mr. Moseley has also designed and maintained claim management systems, implemented reporting tools to evaluate key financial metrics, performed statistical analyses, and analyzed data trends to support the review and preparation of damages.

On business insurance claims, Mr. Moseley has been retained to provide forensic accounting and insurance claim consulting services. He has prepared hundreds of claims totaling over \$3 billion. Mr. Moseley is very familiar with key insurance policy provisions and exclusions that may impact the quantification of damages and the potential for insurance recovery. He has testified as an expert on cost allocation of damages to historical comprehensive general liability (“CGL”) insurance policies; he has been retained to assist with claim settlements; and he has provided litigation support.

Mr. Moseley has provided services to companies in a variety of industries including railroad, manufacturing, utilities, construction, retail, hospitality, e-commerce, food and beverage, chemical, and oil and gas among others.

PROFESSIONAL EXPERIENCE

Commercial Damages and Business Insurance Claims

Mr. Moseley has been retained to provide forensic accounting, quantification of damages, and insurance claim preparation services in connection with breach of contract, construction claims, and business interruption resulting from catastrophic events such as hurricanes, fires, environmental contamination, derailments, and other loss events. Mr. Moseley's work has included:

- Analyzing claim costs, preparing proof of loss statements and reviewing loss adjustments
- Implementing loss accounting procedures to track response costs, accumulating and analyzing costs related to environmental investigation and remediation, repair, replacement, and restoration of property; sue and labor expenses, and extra expenses incurred to mitigation the loss.
- Analyzing loss of business income and contingent business interruption losses including evaluating historical revenue, costs, and avoided costs
- Analyzing extra expense associated with maintaining business operations, and servicing customers in the wake of insured losses
- Evaluating the effect on potential insurance recovery considering various insurance coverage issues including number of occurrences; application of limits, sub-limits, and deductibles; potential betterments; period of restoration, and application of various exclusions
- Quantifying, and presenting damages as part of litigation, and to support insurance claims.
- Responding to damages prepared and positions presented by opposing experts, insurance adjusters, and insurers.
- Understanding the FEMA claim process including claiming eligible costs under the Stafford Act, and the interplay with available insurance coverage
- Participating in the negotiation and settlement of commercial disputes and business insurance claims.

Environmental, Asbestos, & Other Health Hazard Claims

Mr. Moseley has been retained to quantify and estimate potential damages in connection with environmental contamination, asbestos, and other health hazard liabilities. His work has primarily

been performed to support risk transfer strategies and insurance recovery. Mr. Moseley's experience includes:

- Supervising historical comprehensive general liability (“CGL”) insurance policy/program reconstruction including insurance archaeology, developing insurance policy data systems, conducting detailed reviews of insurance policy language, quota share participation, and secondary evidence, summarizing insurance policy data, and developing insurance coverage charts
- Documenting incurred costs and developing projections of future costs associated with known claims and potential future liability exposures
- Quantifying and segregating indemnity and defense costs, investigation and remediation costs, and pre and post tender costs
- Developing complex cost allocation models to allocate indemnity and defense costs to historical CGL insurance programs on a policy-by-policy, insurer-by-insurer, and claim-by-claim basis
- Analyzing potential insurance recovery considering critical variables including but not limited to number of occurrences; trigger and scope of coverage; treatment of policy limits, self-insured retentions, deductibles and uninsured periods; various allocation and exhaustion methods; relevant exclusions; insolvencies; prior settlements; and treatment of defense and indemnity costs
- Conducting probabilistic and statistical studies of liability costs and potential insurance recovery in light of factual and legal uncertainties
- Analyzing billings and payments under various insurance coverage-in-place agreements
- Evaluating potential insurance recovery from both solvent and insolvent London Market Companies subject to UK Schemes of Arrangement
- Preparing and presenting insurance claims to opposing experts, adjusters, insurers and their counsel
- Providing expert witness testimony in insurance coverage litigation

Data Analytics

Mr. Moseley has been retained to provide analyses and data management for millions claims. He has developed database management systems to evaluate claims and quantify damages in connection with a variety of matters. His work has involved evaluation of best practices related to claims management and litigation, allocation of claim costs based on terms of contracts, and statistical analyses related to damages for both known and potential future claims. Mr. Moseley's experience includes:

- Designing and implementing information and data management systems to track claims

- Evaluating best practices for claims and litigation management through analyses of trends related to number of claim filings, jurisdiction, judgments, settlements, expense costs, matrix agreements, SIC, claimant history, and other relevant data elements
- Evaluating causation and damages based on client-specific claims experience, contracts, production, sales, distribution and operations data, epidemiological studies, labor statistics, and relevant industry data
- Accumulating, segregating and documenting costs related to contracts
- Allocating costs based on pre-determined agreements, cost sharing arrangements, and matrix agreements
- Developing estimates of potential future liability.

SELECT CASE EXAMPLES

Construction

- **Ethanol Plant:** Retained by a tank manufacturer to prepare an expert report, support arbitration and settlement discussions regarding an alleged breach of contract/warranty matter. Plaintiff's alleged our client provided faulty tanks during the construction of its ethanol plant that led to property damage and significant delay/interruption of ethanol production. Services included analyses of claimed damages for costs to repair and restore damage, extra expenses incurred to allegedly mitigate the loss, and loss of earnings on ethanol, corn oil and DDGs. We coordinated closely with other experts and the client to evaluate the construction contracts, review documentation supporting the plaintiff's claim, and determine the impact to plant production. We audited costs to assess relevance and appropriateness, verified proper accounting of claimed costs, and determined the adequacy of support. The matter settled prior to arbitration.
- **Multi-National Construction Corporation:** Retained to quantify damages in connection with a hydro-electric plant construction project in Canada. During construction of the plant, formwork failed which led to concrete flooding major areas of the site and causing significant damage. In addition, the entire project was impacted by the event including significant labor inefficiencies, increased cost of construction, and schedule delays. We were retained to analyze each category of loss, quantify damages, and prepare an insurance claim for covered costs. Our work included developing loss accounting procedures to track costs related to the repair and restoration of damage, analysis of overall project costs and

related metrics such as productivity factors, hours worked, and billing rates. We performed analyses of impact to schedule for specific work as well as the impact to the overall project.

- **Calcium Chloride Manufacturing Facility:** Retained by a water technologies company to prepare an expert report and provide expert testimony regarding a breach of contract matter alleging flaws in the design and fabrication of certain equipment. Our work included preparing a systematic approach to review documentation supporting damages to identify their relevance to the contract and the allegations. In addition, we audited costs claimed as damages to assess appropriateness, verified proper accounting, and determined the adequacy of support.

Manufacturing

- **Major U.S. Defense Contractor:** Retained to provide forensic accounting and insurance claim expertise in connection with over \$1 billion in property damage and business interruption losses suffered during Hurricane Katrina. After multiple shipyards were destroyed, which halted shipbuilding production, a major defense contractor retained BRG experts to opine the extent and value of business interruption losses. We were retained to independently calculate the company's business interruption claim, prepare an expert report and testify in litigation against the company's insurers.
- **U.S. Manufacturer:** Provided forensic accounting and assisted the designated arbiter in a business interruption insurance coverage dispute. We served as an independent expert retained to determine the actual loss sustained as a result of a fire to a newly installed production line.
- **U.S. Pipe Manufacturer:** Provided forensic accounting and claim preparation services for a manufacturer of iron pipe that suffered an interruption in business as a result of a major fire at one of its plants. Work included analysis of mitigation, labor inefficiencies, extra expense associated with the use of sister plants, establishing loss accounting procedures, claim preparation for the property damage and time element losses, and coordination with the insurance adjuster and the insurers' consultants.
- **Cutting Tool Manufacturer:** Provided forensic accounting and claim preparation services for a cutting tool manufacturer that sustained a fire at one of its manufacturing facilities. Work involved analysis of lost sales and extra expense.

- **US Manufacturer:** Provided insurance recovery analysis and settlement advisory services in connection with asbestos liability. Statistical modeling and sampling techniques on claims data to estimate missing dates of exposure and other gaps in data. Developed allocation models to allocate loss payments and related expense costs to insurance coverage programs on a policy-by-policy, insurer-by-insurer, and claim-by-claim basis. These models considered variations on key allocation variables including number of occurrences, trigger and scope of coverage, treatment of policy limits, self-insured retentions, deductibles and uninsured periods, various allocation and exhaustion methods, relevant exclusions, insolvencies, prior settlements, treatment of defense and indemnity costs among others.

Railroad

- **Class 1 US Freight Railroad:** Retained to quantify damages and prepare two insurance claims in connection with a large train derailment, which caused owned property and third party property damage. This matter involved contamination of air, land, and adjacent waterways. Work included quantifying damages related to property damage, environmental contamination, and potential business interruption due to network disruption. We tracked, segregated, and analyzed costs to support damages and insurance claims under both the liability and property insurance policies. We prepared and presented damages for both insurance claims, and participated in settlement discussions with the company's insurers.
- **Class 1 US Freight Railroad:** Quantified and presented damages related to property damage, extra expense, and loss of business income as a result of losses sustained during Hurricane Rita. The work included analysis and segregation of labor, materials and contractor costs associated with repair and replacement of damaged track, roadbed, bridges, signal and communications systems, and maintenance buildings; analysis of extra expenses necessary to maintain service during and after the hurricane; evaluation of lost revenue, avoided costs, and contingent business interruption; preparation of claim and all related exhibits; and assistance with the negotiation of the claim with the insurer and its consultants
- **Class 1 US Freight Railroad:** Prepared property damage, extra expense, and loss of business income claim as a result of losses sustained during a major West Coast storm event. Our work included analysis and segregation of labor, materials and contractor costs associated with repair and replacement of damaged track, roadbed, bridges, signal and

communications systems, and land and waterways; analysis of extra expenses necessary to maintain service during and after the storm; evaluation of lost revenue, avoided costs, and contingent business interruption; preparation of the claim and all related exhibits; and assistance with the negotiation of the claim with the insurer and its consultants. The client settled its claim for approximately 95% of claim value as submitted to the insurer.

- **Class 1 US Freight Railroad:** Prepared an insurance claim for losses sustained as a result of a winter storm and mudslide in the Pacific Northwest. The work includes evaluating extra expense and repair and restoration costs associated with property damage; preparation of claim and all related exhibits; and assistance with the negotiation of the claim with the insurer and its consultants.
- **Class 1 US Freight Railroad:** Analyzed FELA liability including asbestos, hearing loss, repetitive strain and deleterious substances claims, as well as environmental claims in connection with settlement negotiations with Equitas and London Market Insurers. Services rendered on this engagement included an evaluation of available historical liability insurance coverage for approximately six legacy railroads, insurance archaeology efforts to fill gaps of missing coverage, analysis of a coverage-in-place agreement (“CIP”) with Equitas, analysis of historical claims data, projection of potential future claims, estimation of potential liability, allocation of claim costs to historical liability insurance coverage, and sensitivity analyses comparing the payments under the current CIP to a potential lump sum payment. Prepared, presented and participated in the negotiation of the comprehensive claim.
- **Class 1 US Freight Railroad:** Analyzed unreleased environmental and FELA liability including asbestos, hearing loss, repetitive strain and deleterious substances claims, as well as environmental claims. Services rendered on this engagement included an analysis of historical claims data and projections of future asbestos claims, valuation of pending and future asbestos liability, valuation of environmental liabilities, allocation of claim costs to liability insurance coverage, and an evaluation of various potential scopes of release.
- **US Passenger Rail Service:** Analyzed environmental claims as well as FELA liabilities including asbestos, hearing loss, repetitive strain and deleterious substances. Services rendered on this engagement include an analysis of historical asbestos claims data and trends, projections of future asbestos claims, valuation of pending and future asbestos liability, and allocation of claim costs to insurance coverage on an insurer-by-insurer and policy-by-policy basis. Prepared, presented and participated in negotiations with the client's US liability insurance carriers and London Market Insurers.

Utilities

- **Investor-Owned Public Gas Utility:** Designated as an expert for arbitration in front of JAMS. Retained to quantify incurred investigation costs in connection with the clean-up of several environmental sites. Collected and organized relevant accounting records, invoices, and other support. Analyzed data, conducted interviews with environmental site managers to segregate costs between investigation and remediation, and quantified annual incurred investigation costs by site. Developed insurance allocation models to evaluate the potential recovery of investigation costs from various historical liability insurers. Prepared a declaration and supporting documentation, which was submitted to the arbitrators. This matter settled prior to arbitration testimony.
- **Coal-Fired Power Plant:** Prepared a property damage and business interruption claim in excess of \$25 million for a coal-fired power plant in upstate New York after a fire destroyed one of its two 150MW turbines. In addition to extensive property damage, the plant operated at 50% capacity for over a year. We established loss accounting procedures to track and document all costs to repair and restore the damage; quantified loss of production and resulting loss of capacity and spot-market earnings. We analyzed day ahead pricing, costs, and real-time margin that would have been earned if the loss had not occurred. Worked with the adjuster and the insurers' forensic accountant to answer questions and explain the claim. Served as lead on settlement negotiations.
- **Investor-Owned Public Gas and Electric Utility:** Provided valuation and settlement advisory services related to claims against liability insurance carriers for past and estimated future costs associated with former manufactured gas plants, power plants, substations, service centers, underground storage tank sites, and third-party hazardous waste disposal sites, landfills, and recycling facilities; and past and future costs associated with asbestos exposure. Services included analyzing liability insurance policies, analyzing cleanup and response costs, performing allocations of costs to liability insurance coverage, analyzing potential insurance recovery, and assisting with settlement negotiations. Also evaluated potential insurance recovery from a number of insolvent and solvent UK-based Schemes of Arrangement.
- **Investor-Owned Public Gas Utility:** Provided liability insurance valuation and settlement advisory services to a utility in connection with its manufactured gas plant liabilities. Developed an insurance policy database, allocated environmental cleanup costs to

historical liability insurance coverage, and applied statistical probabilistic methods to quantify a range of possible allocated shares by insurer. Participated in settlement negotiations with liability insurance carriers addressing issues related to allocation.

- **Investor-Owned Public Gas Utility:** Advised three PRPs on a reconciliation and reasonableness review of response costs spent by a larger coalition of PRPs at a particular site. Built multiple databases of response cost data and bank account summaries. Managed the process of reconciling vendor invoices to bank statements, and researched spending activity relating to contracts and change orders. Prepared a report which was used in settlement discussions.

Chemical

- **Chemical Company:** Provided forensic accounting and claim preparation services for a major chemical company that suffered contingent business interruption due to a tornado that damaged a supplier in the southeast. The claim involved determining lost sales due to the loss of power on at one of its interdependent manufacturing facilities. Issues encountered on this claim involved calculation of average daily value deductibles across interdependent facilities that all were affected by the loss.
- **Multinational Petrochemical Company:** Provided valuation, settlement advisory services and litigation support related to claims against liability insurance carriers for past and estimated future costs associated with hundreds of environmental sites, including refineries, chemical plants, gas plants, bulk plants, distribution terminals, service stations, exploration and development operations, pipeline operations and third-party waste sites. Analyzed insurance coverage for seven separate liability insurance coverage programs, conducted insurance archaeology to fill in gaps in coverage and reconstruct liability insurance programs for predecessor companies, analyzed environmental investigation, cleanup and response costs, allocated liabilities to insurance coverage based on historical operations and ownership of sites by predecessor/successor entities, conducted analysis of potential insurance recovery considering factual and legal uncertainties, provided litigation support, prepared and presented insurance claims to over 100 insurance companies, and participated settlement negotiations.
- **US Chemical Company:** Developed an allocation model to allocate asbestos indemnity and defense costs to historical liability insurance coverage. Modeled multiple allocation scenarios considering factual and legal uncertainties including scope, treatment of defense costs, and treatment of aggregate limits.

Retail

- **Major Retailer:** Retained to provide investigation and forensic accounting services in connection with alleged employee theft of inventory at one of the company's distribution centers. Services include investigation of the fraud scheme, analysis of company's inventory management, and forensic accounting to calculate damages due to the fraud. In addition, we assisted with the proof of loss, and prepared the company's insurance claim under its crime insurance policy.
- **Major Retail Chain:** Retained to calculate damages associated with an alleged scheme involving company employees and an outside contractor that resulted in the theft of thousands of laptop computers from corporate headquarters. This matter involved an investigation of the alleged scheme, understanding of inventory systems, analysis of inventory data, calculation of damages over the scheme period, and generation of a report used in mediation.
- **E-Commerce Company:** Retained to prepare two large property damage, and inventory claims in connection with two warehouse fires. Services rendered included, working the salvage company to list and value damaged/destroyed FFE, accounting for extra expenses incurred to expedite repair and restoration, avoid loss of sales, and perform industrial hygiene testing of damaged inventory to determine if any of it was sellable. In addition, we identified and valued all damaged inventory in each warehouse. Our work included analysis of the physical and systematic flow of merchandise from point of sale through the company's supply chain to customer delivery, and analysis of historical and current inventory levels at each facility including perpetual inventory reports, cycle counts, and physical counts. We also performed analyses of monthly P/Ls for each facility to determine discontinued expenses.

Insurance

- **US Insurance Company:** Retained as an insurance allocation expert in connection with a dispute over indemnity payments made by the insurer for asbestos claims. Reviewed historical liability insurance policies, analyzed indemnity payments made by the insurer, as well as many documents produced in the litigation related to claim payments, retrospective premiums, and cost sharing agreements among the plaintiff's primary insurers. Developed

insurance allocation models which considered claim costs, deductibles, trigger, scope of coverage, and allocation and exhaustion methodology to determine the insurer's allocated share of indemnity costs for each asbestos claim. Opined on the difference, if any, between the allocation results presented in the case, and actual indemnity payments made by the insurer on each asbestos claim.

- **US Insurance Company**: Assessed estimates of possible future asbestos liability prepared for a major bankrupt asbestos defendant. Analyzed the underlying assumptions used in preparing the estimates, the reasonableness of the estimates, and the allocation of the estimated costs to historical liability insurance coverage

Other

- **Security and Alarm Company**: Retained to provide forensic accounting and independent review of claimed damages in connection with a dispute alleging a breach of contract. Services included a review of the plaintiff's claim for property and business interruption damages, as well as an evaluation of the insurance policy language to determine if damages would have been covered. We prepared an independent calculation of the loss, and worked identified provisions in the insurance policy that could limit reimbursement of the loss. The parties settled the claim prior to trial.
- **Nutritional Beverage Company**: Retained to quantify product recall costs, property damage, extra expense, and loss of business income associated with a national and comprehensive recall of the policyholder's nutritional beverage products due to E. coli O157:H7 contamination.
- **Hotel**: Prepared a property and business interruption claim for a hotel that suffered significant property damage due to Hurricane Matthew. Evaluated occupancy rates, ADRs, "on the books" reports, and other data to calculate the business interruption loss. In addition, worked with the client to collect and present costs related to the repair and restoration.
- **Pet Care Services Company**: Prepared a business interruption claim in connection with a flood that occurred at the company's new 18,000 square foot facility right before opening. The project involved analysis of lost sales and continuing expense for a company that had not yet begun operations.

- **Center for Claims Resolution:** Provided asbestos claims management services, claim cost analyses, and insurer billings for a large group of asbestos defendants. Supported each phase of asbestos claim administration including management of claim documentation such as medical reports, occupational history, exposure history, and legal information. Analyzed trends using key data elements such as number of filings, jurisdiction, plaintiff's counsel, judgments, settlements, litigation costs, cost sharing arrangements among defendants, and dates relevant to insurer billings. Also provided insurance allocation services in connection with billings of asbestos claim costs to each defendant's insurers.
- **Major Financial Institution:** Provided services to a major financial institution as part of a due diligence review for loan renewal. Retained to analyze the actual and potential effect of asbestos liabilities on the financial condition of a large asbestos manufacturing company. Services rendered on this matter included development of a claims database to account for historical and pending claim activity, evaluation of potential future asbestos claims, valuation of pending and estimated future asbestos liabilities, development of insurance allocation models, performing allocation of asbestos costs considering uncertainties associated with pending coverage litigation, generation of models to evaluate the effect of annual asbestos claim payments on company cash flow, analysis of insurance receivables considering coverage-in-place agreements and annual caps placed on insurer billings.
- **Hazardous Waste Disposal Site PRP Group Steering Committee:** In a multi-party site matter, the steering committee of a large hazardous waste landfill engaged team to allocate site cleanup costs among 20,000 potentially responsible parties. Developed a waste-in database to support allocation of costs to various responsible parties and converted existing electronic waste-related data maintained by the site owner/operator on an IBM mainframe system to an accessible PC-based format, and supplemented the data with additional waste information available in historical hardcopy manifests that pre-dated the site's electronic system. The database was linked to and supported by an image-based repository of waste information that included Liquid Waste Hauler Records, State Hazardous Waste Manifests, Uniform Hazardous Waste Manifests and related analytical and transportation data. A library of hardcopy, microfiche, and microfilmed information was also developed and maintained. This information assisted the steering committee in implementing a model that was used to allocate cleanup and other site-related costs to the parties based on volumetric and other criteria.
- **Special Deputy Receiver (SDR):** Evaluated potential damages, if any, in connection with alleged auditor malfeasance. Work on this matter has included evaluation of GAAP and SAP financial statements; assessment of regulatory compliance; contractual relationships

between insurers and reinsurers; analysis of capital surplus, risk-based capital requirements, and relevant action levels, assessment of capital enhancement initiatives; investments in affiliated company stock and bonds; evaluation of IRIS ratios; as well as other research, reviews, and analyses. This case is ongoing.

SPEAKING ENGAGEMENTS

Co-Speaker at “The Age of Volatility is Redefining Risk Management”, Webinar, October 2015.

Co-Speaker at “Top 10 Worst Mistakes Made on Property and Business Interruption Claims”, (broker presentations) June 2014, September 2013.

PUBLICATIONS

Author of “Property and Business Interruption Claims: Managing the Claim Process – Road to Resolution”, PropertyCasualty360^o– Claims Magazine, April 2016.

HONORS

Named to the Who's Who Legal: Insurance & Reinsurance Consulting Experts – 2017

EDUCATION

Valparaiso University, B.S. Business Administration – Concentration in Finance

EMPLOYMENT HISTORY

FTI Consulting, Inc., Managing Director (March 2011 to July 2017)

LECG, Principal (June 2002 to March 2011)

Navigant Consulting, Executive Consultant and Principal (1999 to June 2002)

Peterson Consulting, Junior Staff and Senior Staff Positions (1993 to 1999)