

Leading Insulation Manufacturer Withdraws

Asbestos Facility's Future Uncertain

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A leading insulation manufacturer has withdrawn from the Asbestos Claim Facility, and other former asbestos manufacturers may also leave the group.

Owens-Corning Fiberglass withdrew on Oct. 3 from the facility, basing its decision on the explosive growth in lawsuits by workers in the rubber industry exposed to asbestos talc, a product it says it did not make.

The Asbestos Claims Facility, based in Princeton, N.J., was formed in 1985 by the Insurance Industry and asbestos manufacturers as a way to reduce the cost of defending lawsuits over asbestos exposure. It currently handles asbestos litigation for 37 manufacturers and 16 insurance companies.

The facility says that before its members decided to come together and cooperate, more than 70 cents of every dollar spent by companies on asbestos injuries was being used to pay legal or other administrative costs. Less than 30 cents of every dollar was going to the victims of the asbestos injuries. The facility allowed the industry to sharply reduce those expenses.

Simply put, the members of the group agreed to work jointly to reach settlements and defend themselves in lawsuits related to asbestos exposure. Each company paid a

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fixed share of the cost of resolving each claim regardless of which company made the product that injured the plaintiff. Owens-Corning, one of the major asbestos producers in the group, was responsible for the cost of resolving about a fifth of each claim handled by the facility.

Each company's share was determined by a formula worked out when the facility was founded in 1985. At that time nearly 80% of the lawsuits being filed came from former shipyard workers or insulation installers.

But in the past year, the mix of plaintiffs suing over asbestos exposure has changed radically. Now only 60% are from the insulation or shipbuilding industries. More workers from the rubber, steel and construction industries are filing claims for asbestos-related illnesses.

There has also been an explosive growth in the number of asbestos claims. According to Edward Harris, an insurance claims con-

sultant and member of the facility's board of directors, 3,000 asbestos-related claims were filed in July, 3,000 in August, and 2,500 in September. When the facility was formed in mid-1985, cases were being filed at a rate of 500 a month.

The number of cases related to asbestos filed to date is now about 60,000 compared to 28,000 in mid-1985, he says.

Jules Vinnebeck, manager of corporate relations at Owens-Corning, says his company never made asbestos talc used in the rubber industry, and doesn't feel it should be liable for paying for the injuries caused by those products. It feels it will be less costly for it to leave the facility than pay for injuries to rubber workers.

Other insulation companies, including Owens-Illinois Inc., Fibreboard Corp., and Celotex Corp., are weighing their continued participation in the facility, said Mr. Harris. Owens-Illinois refused to comment last week; spokesmen for Celotex and Fibreboard were unavailable.

When the facility was formed, provisions were made so that the share of each claim incurred by members could be reallocated periodically.

But Lawrence Fitzpatrick, the vice president and acting chief executive of the facility, says the agreement that set up the

OSHA extends stay on asbestos regulation

The Occupational Safety and Health Administration has announced the extension of the stay on its asbestos standard to nonasbestosiform tremolite, anthophyllite and actinolite. The initial administrative stay, which expired April 21, is now extended an additional 18 months, through July 21, 1988.

According to OSHA, the agency is in the process of drafting a proposed rule, scheduled to be released next month, relating to the issue of whether and how to regulate nonasbestosiform minerals. As was the case during the initial stay, OSHA has stated that during the extension, the 1972 standard governing occupational exposure to asbestos will remain in effect.

There is some concern that OSHA's failure to resolve this issue prior to departure of the Reagan Administration may prove troublesome, depending on the views of the incoming administration, according to NSGA.

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