



MANUFACTURING

Risk management tips brought to you by:
Atlantic Pacific Insurance

DID YOU KNOW?

MCM industries, an Ohio-based steel manufacturer, received \$126,700 in OSHA fines after an employee complained to OSHA about unsafe working conditions at the facility. In its inspection, OSHA found that workers were exposed to amputation hazards from improperly guarded mechanical power presses and other hazardous practices, resulting in one willful and 17 serious safety and health violations.

2014: “The Year of the Recall”

More than 60 million cars were recalled in 2014, making it the “Year of the Recall.” The reasons for the recalls varied—recalls were issued for a defective ignition switch, a faulty hood latch, an improperly installed airbag and many other problems.

Despite the product you are manufacturing or the type of recall, issuing a product recall can be expensive. The cost to withdraw the product from the marketplace, destroy it, dispose of it and replace it with a new product can be enough to put you out of business, and the damage to your reputation can be irreparable.

It is a common misconception that product recalls are covered under

your general or product liability policy, but this is not usually the case. Adding a product contamination or product recall policy to your insurance coverage will help you cover the costs of a product recall. Establishing policies and procedures for handling a recall event goes hand-in-hand with the added coverage. Atlantic Pacific Insurance can help you prepare for a product recall and give you the tools you need to restore normalcy after a recall event.



Company sued by EEOC for Discrimination

The Equal Employment Opportunity Coalition (EEOC) is taking legal action against Amsted Industries, a manufacturer of steel castings for the rail industry, for improperly using physical tests and job applicants’ health histories during its hiring process.

In its lawsuit, the EEOC alleges that these practices were used to deny employment opportunities to applicants with a history of carpal tunnel syndrome or who may develop carpal tunnel, and therefore the company violated the Americans with Disabilities Act. The EEOC is attempting to obtain damages for the people who were not hired based on these practices.