

Hoover Co. retirees prevail in lengthy health care lawsuit

By **Ed Balint**

CantonRep.com staff writer

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A federal judge ruled again in favor of Hoover Co. retirees in a civil lawsuit involving health care benefits.

A federal judge again ruled that more than 1,000 Hoover Co. retirees should receive lifetime health care benefits.

U.S. District Court Judge Benita Y. Pearson in Youngstown denied a request by the Whirlpool Corp. to overturn the ruling she had made following a previous bench trial.

Last week's ruling affects an estimated 1,700 Hoover retirees, said Brian Zimmerman, a Canton attorney who has represented the retirees throughout the lengthy legal battle. He said he expects Whirlpool to challenge the ruling through the U.S. Sixth Circuit Court of Appeals in Cincinnati.

"We're very confident in upholding the case," Zimmerman said Tuesday.

Attorneys representing Whirlpool had asked Pearson to reconsider and strike her original ruling that said the retirees should continue to receive the lifetime health insurance benefits that were the result of past collective bargaining agreements impacting four subgroups of employees who retired at Hoover between 1980 and 2007. Pearson also had ruled in favor of the retirees following a second trial in which the central issue was whether Whirlpool could alter the health care benefits.

The affirmation of her initial rulings also affects spouses of the group of retirees.

"Obviously, we're very pleased," said Zimmerman, who has worked on the case with the assistance of Pittsburgh attorneys with Feinstein Doyle Payne & Kravec. "This is a real big (decision), probably the most important decision that we've gotten from the court; it's completely in favor of

the Hoover retirees, so hopefully they'll now have lifetime benefits.”

Whirlpool expressed disappointment with the latest ruling in an emailed statement provided by spokeswoman Kristine Sherman Tuesday night.

The company said the judge's decision “keeps the Hoover retirees in an outdated, inflexible plan that has a benefits cap.”

“Nonetheless, we remain committed to providing retiree health care at competitive and sustainable levels and are among the top large U.S. companies that offer retiree health benefits.”

Whirlpool added that the company has had “previous success transitioning Maytag retirees to updated health benefits.”

Reaction

Jim Repace, former president and business manager of the International Brotherhood of Electrical Workers Local 1985, said the ruling supports what former union officials and retirees have maintained all along. “The bottom line is these were negotiated benefits that were promised to the retirees and they deserve to have them,” he said.

The union represented Hoover employees in all segments of manufacturing as well as truck driving and maintenance. Repace also credited the efforts of others involved in the case, including former union officials Jim Gensley and Chris Koehler.

The former Hoover workers retired from Hoover and its successors, Maytag and Whirlpool, during a 27-year period. The civil lawsuit was filed in 2011 by the affected retirees after Whirlpool announced it planned to reduce their health insurance benefits and reserved the right to terminate them.

Whirlpool acquired Hoover during a 2006 merger with Maytag, which had purchased Hoover in 1989.

Whirlpool sold the Hoover business to Techtronic Industries but agreed to fund future retiree liabilities. Techtronic closed most local Hoover operations.

Lifetime coverage

Zimmerman said that some Hoover employees made financial concessions in past contracts under the condition they still receive lifetime health insurance benefits.

“Basically I would say Whirlpool attempted to pull the rug out of the most vulnerable people who made great sacrifices during their work lives to make sure they had these lifetime healthcare benefits,” Zimmerman said.

Repace said that Whirlpool had changed their position on the lifetime medical insurance because of the associated costs.

“Without these benefits, this could affect people dramatically as far as their prescription goes (and their medical (coverage),” said Repace, who noted that pension benefits vary among Hoover retirees overall depending on when they left the company. Some retirees “just don’t have the pension dollars to survive without these healthcare benefits.”

Repace said Whirlpool asked the judge to reconsider her ruling in light of decisions in other courts that ruled against other retirees.

If Whirlpool appeals the ruling to a higher court as expected, Zimmerman said, the plaintiffs are willing to consider a settlement depending on the terms.

“We’re always willing to negotiate as long as it is ultimately in the best interest of the retirees,” the attorney said.

Whirlpool, meanwhile, said it “will explore all possibilities, including appeal of this decision, to bring Hoover retiree benefits into more modern, flexible and competitive health plans.”

Reach Ed at 330-580-8315

and **ed.balint@cantonrep.com**

On Twitter **@ebalintREP**