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Last Word: Food-borne ills pose sky-high peril

By Joseph F. Bermudez
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For North Americans, the year of eating dangerously continues. The food industry has been pummeled by contamination claims and recalls stemming from illnesses and deaths nationwide.

The risks associated with getting safe food to our tables are increasing. What's more, we've recently discovered that the acute health effects from food contamination could have long-lasting, widespread and costly health consequences.

For the food industry, the risks involved with contamination and recalls are potentially devastating. Topps Meat Co., in business for nearly 70 years, closed its doors after being forced to issue the fifth-largest beef recall in U.S. food history. For consumers, food contamination can be a deadly risk. According to the Centers for Disease Control and Prevention, 76 million cases of food-borne illness occur each year resulting in 325,000 hospitalizations and 5,000 deaths.

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This year alone, we've seen a dramatic increase in food contamination risks. In January, an undercover video resulted in the largest beef recall in U.S. food history. Last month, we learned our water supply is contaminated with pharmaceuticals—the scope of this contamination is unknown.

Global warming has also raised the stakes. Several outbreaks of ciguatera poisoning have been confirmed in consumers of fish harvested in the northern Gulf of Mexico. Ciguatera is common in fish living in tropical regions, but is rare in the northern Gulf.

As increased ethanol production raises corn prices, ranchers have switched to cheaper cattle feed, believed to have changed cows' intestinal flora, increasing E. coli production. Likewise,

weather changes may be taking a toll. Flooding in the Midwest is thought to cause stress to cattle in swamped feedlots, increasing their E. coli count.

The factors behind the food industry's recent catastrophic period join a long list of potential risks. Globalization, the centralization and monopolization of production and distribution, increased appetites for processed foods, a desire for more raw and organic foods, and the evolution of deadly food pathogens are creating a perfect storm for the escalation and proliferation of food contamination claims.

Yet the most significant and possibly catastrophic risk discovered earlier this year received little notice. Many know that food contamination can cause a short bout of food poisoning. But, as the Associated Press reported in January, there is a "dirty little secret of food poisoning."

The cheeseburger you enjoyed last night or the snapper you thought was a healthy choice may cause you a lifetime of health-related concerns. Scientists are studying whether certain food pathogens are capable of causing long-term and even crippling health consequences 10, 20 or more years after the initial attack.

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Scientists don't know how many of the millions of annual contamination victims suffer latent, long-term effects, and they're investigating what other illnesses may be associated with food-borne contamination.

The potentially long-lasting effects of food poisoning could prove financially catastrophic. Chronic illnesses linked to asbestos, lead paint and environmental claims resulted in hundreds of millions in medical monitoring claims. Whether in defense or indemnity, the sums involved with medical monitoring claims for even a small percentage of the 76 million annual food-borne illnesses are mind-boggling.

Food contamination risks are on the rise. Analysis of the specific, unique risks involved with each food industry policyholder is critical. Ingredient source, supplier history, processing plant location, foreign health and safety regulations, supply chain positioning and customer base are among the factors to be assessed from an underwriting and a risk management perspective. If the theories about increased food-borne illness risks are remotely accurate, the costs for insurers could be astronomical. IF

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