

Form 8-K

CURRENT REPORT

Pursuant to Section 13 of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 21, 1995

Owens-Illinois, Inc.  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-9576 (Commission File No.)	22-2781933 (IRS Employer Identification No.)
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Owens-Illinois Group, Inc.  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	33-13061 (Commission File No.)	34-1559348 (IRS Employer Identification No.)
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One SeaGate, Toledo, Ohio (Address of principal executive offices)	43666 (Zip code)
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Registrants' telephone number, including area code:	419-247-5000
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Item 5. Other Events.

On December 21, 1995, Owens-Illinois, Inc. issued a press release announcing settlements totaling \$400 million in asbestos insurance litigation. The press release is set forth as Exhibit 99 hereto.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

Exhibit 99 - Owens-Illinois press release dated December 21, 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

OWENS-ILLINOIS, INC.  
OWENS-ILLINOIS GROUP, INC.

By (Lee A. Wesselmann)  
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Lee A. Wesselmann  
Senior Vice President and  
Chief Financial Officer  
(Principal Financial Officer)

Dated: December 21, 1995

EXHIBIT INDEX

Exhibit Number	Exhibit	Page
99	Owens-Illinois press release dated December 21, 1995	5

OWENS-ILLINOIS REACHES SETTLEMENTS TOTALING \$400 MILLION IN ASBESTOS INSURANCE LITIGATION

Toledo, Ohio, December 21, 1995 -- Owens-Illinois, Inc., (NYSE: OI) today announced that it has reached settlements with certain reinsurance companies participating as parties in the United Insurance case, resulting in the confirmation of approximately \$140 million of additional insurance coverage related to asbestos claims against Owens-Illinois.

Owens-Illinois further announced that it has reached an agreement with Owens Insurance Ltd. (OIL), settling the remaining insurance at issue in the case. OIL is a wholly-owned subsidiary of Owens-Illinois and was the principal insurer providing coverage for O-I's asbestos claims through reinsurance policies issued by various insurers. The settlement agreement with OIL is a necessary step toward obtaining reimbursement from those reinsurers which have not already settled the reinsurance coverage claims against them.

The combination of these settlements, along with expected reimbursement of lesser amounts from other third party sources, reflect additional insurance coverage totaling approximately \$400 million. Previously, Owens-Illinois had received approximately \$100 million from earlier settlements with other reinsurers involved in the case.

The settlements announced today involve all of the remaining coverage issues among all the parties in the United Insurance case. While certain reinsurers may contest the OIL settlement, Owens-Illinois believes that ultimately it will be enforced in accordance with its terms. Furthermore, the settlements have been accepted by the Superior Court of New Jersey, which expressly endorsed the OIL settlement as a fair and reasonable resolution of the protracted United Insurance coverage dispute.

Owens-Illinois will use the settlement proceeds, when received, to reduce bank debt incurred in paying claims.

Thomas L. Young, Owens-Illinois executive vice president and general counsel, said, "With the agreements announced today, we have now resolved our coverage dispute with the principal insurer and with all of the reinsurers that had been parties to the United Insurance case. Although the settlement agreements will result in some reduction in the value of the company's asbestos insurance asset, the agreements that have been concluded to date affirm our previously stated opinion that we would ultimately receive a substantial amount of coverage as a result of this litigation."

Joseph H. Lemieux, Owens-Illinois chairman and chief executive officer, said, "These settlements mark the beginning of a new chapter in the history of Owens-Illinois. Throughout this dispute, we have maintained good operating results and financial flexibility to implement our growth strategy. Now we will receive additional and timely resources to support the continued growth of our business and pursue new investment opportunities around the world."

CONTACT: Owens-Illinois, John Hoff, 419-247-1203