

New insurance law means higher rates for most

By Mike Eliasohn

The "Essential Insurance Law" is what it is called, but local insurance agents have other names for it, such as unfair, confusing and more work.

What it will mean for most vehicle owners and possibly all homeowners is higher insurance premiums.

One estimate is that rates could go up 10-15 percent when the new law goes into effect Jan. 1.

Insurance customers won't know what their premium increases are until they

receive their next bill.

The need to change the present law goes back to June, 1978, when the Michigan Supreme Court upheld the constitutionality of the state's no-fault motor vehicle insurance law, but ruled it was deficient because it did not assure that coverage was available to everyone and at fair and equitable rates.

It gave the legislature 18 months to correct the law. The lawmakers approved the new insurance package in October, 1979.

In simple terms, the new

law tries to reduce the extremes paid in premiums.

In reality, it means those drivers considered "low risk" and homeowners living in low risk areas will be subsidizing drivers with bad records and homeowners in inner city areas where insurance has been very expensive and sometimes unobtainable.

"One thing to the people's advantage in knowing," said State Farm agent Ernest Teichman, "is this (higher premiums) was not done by the insurance companies.

The new law is the result

of legislators from rural areas being outnumbered by those from metropolitan areas, he explained.

For auto owners, the only beneficiaries in rural areas will be young male drivers, unmarried, usually age 24 and under. Everyone else will pay more.

WITH LESS THAN FOUR weeks until the new law goes into effect, most agents contacted couldn't say what the new auto rates will be because their companies were still awaiting approval of them by the Michigan insurance commissioner.

For instance, Lawrence Insurance Agency, which represents five or six companies, according to Kelli Winter, hadn't received new rates from any of them as of Friday.

In addition, there are so many variables in figuring rates, even under the new law, they can vary widely from driver to driver. Sex and marital status will no longer count, but factors such as type of car, number of miles driven, age of driver, driving record and amount of coverage are all factors in computing the

premium.

At the request of the Chronicle, Bob Gornowicz of Copeland and Gornowicz Insurance figured the rate for a fictitious 24-year-old single male driver with one speeding ticket who drives a 4-cylinder compact car. Such a person would benefit from the new law. The premium under the new law came to \$236 a month for six months, \$20 less than under the old law.

However, as pointed out, the premium can vary widely from driver to driver. Another agent, who didn't

want his name used, figured out the premium for a female customer. Her bill will be going up \$10 for every six months.

THE COMPLEXITIES OF the new system, Bob Copeland pointed out, mean it will take agents much longer to figure out premiums for would-be customers, at least twice as long as the 5 minutes it took under the old system.

Making it even more difficult is that the law requires independent agents, such as himself, to give three quotes if they represent that many

or more companies. He and Gornowicz represent two, so he figures 20-25 minutes per customer.

According to Newell Harris of Harris-Hampshire Agency, also an independent agency, a proposed amendment to the law would require independents only to give a quote from the lowest company.

That may be meaningless, however, as one customer might have the lowest premium with Company A and another with Company B, so

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Twenty-five Cents

TWENTY-FOUR PAGES



LUCKY BUCKS winners in the drawing Saturday were Charles Nemeth of 6202 Pringle Road, Cass City, and Helen Aldrich of Caro. Each won \$100 in lucky bucks. Winners this Saturday in the drawing sponsored by the Cass City Retail Committee will each receive \$150 in lucky bucks to be spent in local stores.

State aid means further belt tightening for Cass City schools

Cass City Schools will dig a little deeper into its cash surplus during the 1981-82 school year because of a bigger than anticipated drop in State Aid.

Supt. Donald Crouse reported at the regular meeting of the board Monday that the new bill that has passed the legislature will produce \$36,500 less than was tentatively budgeted.

That will bring the total deficit to \$234,000 reducing the surplus from \$306,172 to \$72,172 and promises more belt tightening in the school's operation, according to Crouse.

The belt tightening will not be at the expense of capital expenditures. The board authorized the purchase of three new buses. Low bid between two bidders for the bus bodies was for Wayne bodies for \$10,507 each, up from \$9,197 each. Total cost for each bus is expected to be about \$22,000. Bus chassis are purchased from local dealers at 5 percent over invoice price.

Another expenditure okayed was for a new copy-

ing machine at the high school for \$2,898. The present copier will be used at the Intermediate School and the machine there retired from service.

REQUEST DENIED

Principal Bob Stickle presented a request by junior high students for an increase in a sports program using money the pupils raised selling popcorn. Cost was estimated at \$750.

The students wanted to add flag football, grades 5-8; volleyball and track in grades 5-6.

Administrators frowned on the proposal and the board agreed. Trustee Dick Albee left the door slightly ajar for the program when he said the students could return with a proposal in more detail and he would be willing to consider it again.

TEACHER PROBLEMS

Teachers taking leave presented problems for the board Monday. One problem concerned last year's typing

and home economics teacher who took an unpaid pregnancy leave for the first term with the understanding that she would be rehired for second semester.

That would bump a low seniority teacher out of a job. However two teachers with the lowest seniority were hired on the same date and have identical seniority. Neither wants to give up their position.

Legally, the district was not required to rehire the teacher on leave but administrators felt they were morally bound to do so.

The solution was to hire back the teacher on leave and move one of the other teachers into a full-time substitute position.

Another hassle about leave came on the request of Cheryl Kilbourn for a paid sick leave followed by an unpaid sick leave. The request was denied by the board. Mrs. Kilbourn has the right to take sick leave for pregnancy but if she does she is obligated to return as soon as her physician says she is able. Unpaid leave is different in that the teacher

leaves for a specified period, usually a semester. The school is not legally required to rehire, but in Cass City District always has.

OTHER BUSINESS

The board again voted to retain Alan Luce, professional negotiator, for \$4,500 per year, the same amount as he was paid last year.

Arthur Severance will be presented with a certificate from the Michigan Association of School Boards at the January meeting for his service on the Cass City board.

The curriculum committee, chaired by Albee, will meet with members of the Tri-County Bargaining Association to discuss curriculum as outlined in the master contract.

A policy for hiring relatives of administrators in the district was discussed again and moved closer to a final solution. Wording saying that immediate family members will not be hired as full time or regular part-time employees will be presented next month.

Court challenge likely

Panel rules Owen-Gage owes firm \$41,000

The American Arbitration Association has ruled that the Owendale-Gagetown School District owes Construction Coordinators Inc. (CCI) \$41,283.

The school board, informed of the ruling Monday night, went along with Supt. Ronald Erickson's suggestion to contact a Saginaw or Bay City attorney, reportedly an expert in construction matters who has won a case before the U.S. Supreme Court.

Owen-Gage contended that it owed the firm that managed its high school building project in 1977-79 \$2,730, that its contract called for it to be paid a flat \$108,000.

CCI claimed that amount was based on it being on the job 12 months and that the building would cost \$1.33 million. It was there 17 months, the building cost \$1.65 million and there were some changes which required extra work.

The firm submitted its claim to the Arbitration Association to decide. Three referees conducted a hearing in Detroit Sept. 26.

They issued their decision to Owen-Gage's attorney,

William B. Fitzgerald of Detroit, who forwarded it to the district in a letter dated Nov. 12.

In his letter, he disagreed with the decision, which he said appeared to have been a case of splitting what both sides wanted down the middle.

He also said that arbitrator's rulings can only be appealed to a court if there is evidence of fraud. Since there is none, he recommended Owen-Gage pay the settlement. It also has to pay the fees involved to the Arbitration Association.

"I think we've got a pretty good case," Erickson said in suggesting the lawyer be contacted, who had been recommended by the building architects, Wigen, Tinnell and Associates.

MONEY

Not being a recipient of general state school aid does have its advantages. Erickson reported the district will probably lose about \$9,000 in categorical state aid, mostly for bus transportation, in contrast to some districts which will lose many times that. The original 1980-81

budget had listed state aid at \$66,350.

All is not roses, however. Unless some property tax revenue is received shortly, the district won't be able to make its Dec. 19 payroll.

SPORTS

With some reluctance, the board authorized Athletic Director James Barr to vote at an upcoming league meeting in favor of admitting Deckerville into the North Central D League.

Deckerville is presently the smallest school in enrollment in the Big Thumb Conference. With 348 students, which makes it Class D school, it and North Huron, which has the same number, will be the biggest schools in the NCDL, with more than twice the enrollment of Owen-Gage.

"Year in, year out, they'll whip us," Erickson commented, who expressed the fear that with its bigger players, "I think physically, sooner or later, our kids are going to get hurt."

But with such schools as Carsonville-Port Sanilac and Peck pushing for its admittance, the board feared keeping Deckerville out would eventually mean the end of the league. That might make Owen-Gage an independent, forced to travel long distances to games.

OTHER ITEMS

Owen-Gage Education Association President Manuel Thies will be explaining the proposed new contract with the school board to his fellow teachers this Thursday.

If the copies of the contract are ready, they will be distributed at that time and teachers will vote on the proposed pact next week. They must have it a minimum of five days before they can vote on it.

No complaints were received from parents because of students being bused

home during the Tuesday, Dec. 2, snow storm. Eight students spent the night at homes in Owendale.

Board members felt there was nothing the superintendent could have done to anticipate the storm.

House Bill 5411 is apparently dead. It would have required a public vote for property transfers to other districts. The bill, approved by the house, never got past the Senate Education Committee, it having been opposed by its chairman, Jack Faxon, D-Detroit.

It will probably be reintroduced in the legislative session next year by State Rep. Alan Cropsy, R-Dewitt, the son of the director of the Friends of Michigan Schools.

The board voted to join the FMS for \$100. The organization has supported Owen-Gage in the past.

The board authorized payment of transportation and room and board for the superintendent and board members wishing to attend the American Association of School Administrators convention in Atlanta, Ga., in February, or in lieu of that, the National Association of School Boards convention in the spring.

A letter was read from Betty S. Nickerson of Owendale, thanking the district for allowing her to take typing and accounting classes for a few months with regular high school students. She is now employed as a secretary for Bad Axe Metal Products.

The district allows students to take classes with adults for high school completion or as a refresher.

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I WILL BE

at the Cass City State Bank Friday, Dec. 12, to collect township taxes. Elkland township treasurer.

Shirley Geiger home and on road to recovery

Thanksgiving was very special for Shirley Geiger and her family.

After four months in various Saginaw hospitals, she was home to stay.

For a couple of days after her accident July 16, it was touch and go whether she might live and for awhile after that, it was questionable whether she might ever walk again.

Now she can walk again, albeit very slowly with the aid of crutches and not for very long or very far, and she is determined she will get back to normal.

Mrs. Geiger, 49, of 6645 Garfield Street, was seated in a car driven by her son, Scott, headed east on M-81, which was stopped at the M-15 intersection, on that fateful day in July.

A truck headed in the opposite direction failed to stop and rammed a south-bound car. The impact sent both vehicles into the Geiger auto.

The driver of the other car, Dorothy L. Rittenberg, 34, a Vassar mother of two, was killed. "I knew I was hurt bad. Both my stomach and back hurt terribly," Mrs. Geiger said. Miraculously, Scott was unhurt.

Both were wearing their seat belts, she points out, and although the belt contributed to her injuries, "I think I would have been killed without it."

Her injuries were extensive. Her kidneys, appendix, bowels and aorta were dam-

aged and two vertebrae in her back were broken. "I should have bled to death right there. I don't know why I didn't."

Mrs. Geiger was taken to St. Luke's Hospital in Saginaw, where she stayed conscious long enough to tell her husband, Ron, when he arrived that the accident was not their son's fault. Geiger wasn't notified until 6:45 p.m., 75 minutes after the accident.

THE NEXT THING MRS. Geiger remembers was on Saturday (the accident was on a Wednesday) and she was asked if she wanted to be transferred to Saginaw General Hospital to go on the dialysis machine for treatment of her damaged kidneys. She was transferred that day.

When she was still at St. Luke's, she had undergone surgery to repair her severed aorta, remove her appendix and repair her bowels.

She underwent surgery on her back Aug. 4 at Saginaw General to have steel rods inserted, which will remain there the rest of her life.

When she was there, "One day my toes started to wiggle." Until then, it was thought she might be paralyzed from the waist down for the rest of her life.

She was in intensive care at Saginaw General until Aug. 25, when she no longer needed to be on the kidney machine, and was trans-

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SHIRLEY GEIGER