

JAN. 92 JOURNAL

MINUTES OF WPCC MEETING

November 26, 1991

Officers Present: President, Dave Fabyonic; V. P. Wayne Jones; Secretary, Pat Greenwald.

Board Members Present: Dick Dandois, Vaun Hamlin, Laurie Maglietta, Dave Moore.

The minutes were approved as printed in the Vair Street Journal.

The Treasurer's Report was read by Bill Artzberger, sitting in for Irene. The balance is \$455.82. There are 78 paid members.

Old Business

Bill Artzberger reminded the members of the \$200 profit from the Hershey bus trip and the fact that this event is easy to run and should be continued.

Laurie Maglietta brought up the Parkway clean-up. The last clean-up went well, but Laurie proposed that the Club withdraw from the second year of the contract due to a lack of participation. She has already talked to PennDot. A discussion followed concerning the merits of volunteers doing work that would otherwise be done by paid PennDot workers, the number of workers needed each time, the need for a plan and a commitment from members for specific dates, and the good publicity that the Club gets from the posted signs. Al Friend suggested, and Dave agreed, that the issue should be tabled until the January party, when more members will be present.

Bill still has Corvair Junkyard Primer available for \$2.00. Dave has WPCC patches available at \$3.00 each, or two for \$5.00.

Bill gave a Museum update: There is a need again for volunteers, a sheet was passed around; Scaif Foundation has donated \$1.5 million for building renovation; the Allegheny County Commissioners are bidding to have Smithsonian accept the old airport as an air museum; Sky-Bus has been renewed and is ready to be moved to the Museum; warehouse items and artifacts are being sold, with proceeds going to the Museum.

New Business

Dave announced that Ellen Smith has agreed to be Editor of the newsletter for 1992. Laurie will continue to do the mailing labels.

A newsletter will be published in January, giving details of the party. Tentative plans are for Saturday, January 25, at the Old Time Country Buffet in the Great Southern Shopping Center in Bridgeville.

Laurie reported on issues of the Legislative Council; high-paid lobbyists have been done away with; a fire extinguisher will be raffled off at the next meeting; proxy votes are possible at the meetings; license plates and insurance issues for antique and classic cars.

Al called attention to the article in the last newsletter about The Corvair 1960-1969, a book he thinks the Club should buy. Don Baker said the book is available

at B. Dalton. The membership approved a motion to buy the book. Al agreed to get it and bring it to the party.

Al announced that he ordered a dry pack to prevent mildew for his '64. He passed around information sheets on the product. A discussion followed concerning moisture problems.

Dave urged anyone interested in running for office to contact the nominating committee (Bill and Al). Bill announced Irene's desire not to be nominated for Treasurer for 1992.

Wayne Jones suggested a weekend trip to the Biltmore Estate in Asheville, NC, for next year's agenda.

Bill Brill reported that he and Jean attended 50 Alive classes at the Westmoreland County Community College sponsored by AARP and sanctioned by the PA State Police. The cost is just \$8.00, and some insurance companies give discounts. Bill proposed that we schedule an insurance person for one of next year's meetings to update members on the latest laws.

Dave suggested that the members break for refreshments and reconvene to discuss Corvair car values and to come up with a value list.

FOR SALE

'65 Coupe, 140/4-speed -- Green with solid body and strong engine -- inspected

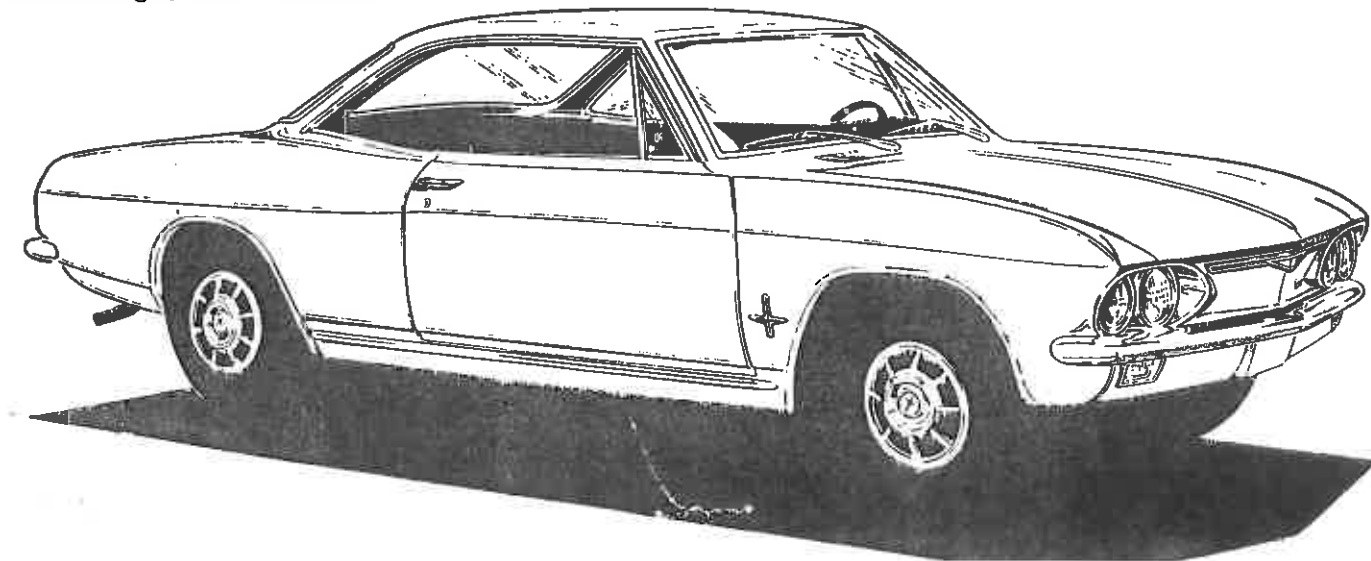
Dave Lovejoy -- 563-1190

WANTED

Front fenders for '65 coupe --- Dick Dandois -- 726-5606

NOTE

Please send all Journal material in by the 10th of the month for publication that month. If you wish, fax your material to 561-2242. By mail -- WPCC, 634 Arden Lane, Pittsburgh, PA 15243.



W.P.C.C BELATED HOLIDAY PARTY

January 25, 1992

4:30 P.M.

OLD COUNTRY BUFFET

Rt. 50 -- GREAT SOUTHERN SHOPPING CENTER -- BRIDGEVILLE, PA

MENU

ALL YOU CAN EAT BUFFET
ONE PRICE \$6.78 W/DRINKS

DIRECTIONS

INTERSTATE 79 -- KIRWIN HEIGHTS EXIT -- RIGHT TO GREAT SOUTHERN
(SAME EXIT AS HAMLIN'S SHOP)

The food is good. The price is right. The people around you will be nice. (We have a private room.)

Everything is right for this event, as long as you make it. No reservations are needed.

If you have questions on the party, call me at 327-7361. If your questions are about the restaurant, call me or the restaurant at 257-0160

Don't forget that this is also the annual meeting for the Club. This means election of officers and appointment of directors. The next regular meeting will be in February in Monroeville as usual. This is a great time for new to get acquainted with old and old with new. No one will twist your arm (old or new) to do this. So just come!!

This Southern location was chosen to lighten the travel of those unfortunate enough to live South of the City. So we are expecting YOU ALL to turn out en masse. Plus, the North, East and West of us to make it also en masse.

This open door policy for the party is a first. Please make it a success by your presence.

I would like to point out one thing about my year as President of the Western Pennsylvania Corvair Club. I did not bore you with one Prez Sez in the newsletter. There were no good ones either, so I guess we're even. But I would like to thank all of you for your participation and efforts to make this another good Corvair year.

Hope to see YOU ALL at the party.

Very truly yours,

Dave Fabyonic
PRESIDENT W.P.C.C. '91

A TWENTY YEAR REFLECTION ON THE WPCC by Al Friend

FOR WHATEVER IT IS WORTH!

About 5% of our members are really good leaders, four star generals, if you will. (Far better than the average group).

Approximately 35% of our members are reasonably active. (Again far better than the average group).

This Corvair thing, that we all love, is just a hobby, and not the primary activity in the lives of the majority. (This folks, will never change).

We are all busy and getting busier every year. (Unfortunately, the busiest people are always the best leaders, and always will be).

Many people who own Corvairs are not going to join a club no matter what we do. (We do, and should, however keep trying to attract some of them).

When new people show up at our meetings and events, do we trip over ourselves to introduce them around? Do we write them up in the journal? Are we careful to be sure that they are never left standing alone with no one to talk to? (Could we do a better job here)?

Do we frequently thank the people who are doing most of the work? (Gee, I wonder if it's the high pay that motivates them)!

We have far too many events considering our number of active members. Other obligations do come up to keep us from attending. Doesn't this overexposure guarantee poor attendance at most events? (Let's try fewer but better events this year and see what happens)?

We need a more central meeting place. (Let's find one).

Like it or not, Corvairs are a limited subject. There are only so many tech. topics available. (We do need some, even if repeated year after year. Let's reinstate them).

All clubs are social. The car or whatever is the excuse to get together. (A great opportunity to meet people like, and unlike, yourself).

We must hear about other old car organizations. We must be right on top of changes in old car events, museums, etc. that will have an impact on our hobby, community, and ourselves. (Isolationism was a primary cause of the great depression)!

What makes Corvair clubs so unique? Is it demographics? We have younger, older, and middle aged members. We have white collar, blue collar, and no collar members. We have student, working, retired, unemployed, rural, and urban members. Is it interests? We have people interested in racing, concours, parties, touring, rallying, community service, other old cars, jap cars, museums, sports cars, cheap transportation, restoration, picnics, nothing, and just sitting around talking about anything that comes up.

THE CORVAIR IS AN OLD CAR THAT IS DIFFERENT AND CAN DO JUST ABOUT ANYTHING REASONABLY WELL! It should and does attract people from every walk of life, with incredibly varied interests. Is this surprising? Isn't it amazing that we have all gotten along and tolerated each others views for twenty years? Would you really want it any other way? (I wonder if a group made up of people who all thought alike could survive and have fun together for twenty years)????????????????????????????????

Stated Value Automobile Insurance

(It's not what you think it is!)

Editor's Note: If you own a classic or antique car, then this article is must reading.

CENTREVILLE, VIRGINIA, March 14, 1990 — Instead of purchasing a standard indemnity insurance policy for your classic or antique car, did you decide to pay an additional premium and purchase a stated value policy? Anything to prevent having to hassle with the claims people. Right? After all, your agent said they would pay the stated amount in the event of a total loss. Right? **WRONG! WRONG! WRONG!** If any of this sounds familiar you may have been misled by one of the most widespread misconceptions that exists today in the automobile insurance industry.

Background

In 1985 Mr. J. Bradley Flippin of Centreville, Virginia, purchased a \$3,000 stated value policy from Nationwide for his 1965 Mustang Coupe. Just to be sure there was no misunderstanding, he asked the agent to be very specific as to how a claim would be handled in the event of a total loss. The agent reassured him he would receive the stated value amount in the event of a total loss. "You mean if I have a total loss they will write me a check for \$3,000?" Mr. Flippin asked. "Well, not exactly," replied the agent. "You will have to prove you have that much in the car. Then, yes, they will pay the \$3,000. I recommend, however, you keep all your receipts and be ready to submit them if the need ever arises." That seemed fair enough. Mr. Flippin was required to bring the car by the agent's office so he could inspect it and photograph it for the file. Mr. Flippin paid about \$205 for six months of basic coverage, including the \$3,000 stated value declaration (A standard indemnity policy on the same car would have cost only about \$175).

Claim Time

On July 29, 1989 Mr. Flippin neglected to watch the green left turn light at an intersection and turned directly in the path of an oncoming car. The impact was so great his head shattered the passenger's side window. (Moral: Wear your seat belts.) The claims adjuster declared the car a total loss, so Mr. Flippin sent him a copy of all the receipts for the restoration work, which to date had totaled about \$5,500. The adjuster said he was willing to settle for \$900. "Nine hundred dollars!" exclaimed Mr. Flippin. "What happened to the \$3,000 stated value for which I have been paying additional premiums?" "Oh, I don't know anything about that. I only settle the claims. You will have to talk to someone else about that," was his reply. But he did say he would be willing to consider any other information that might be provided to him. "If I can get an appraisal showing the car was worth \$3,000, would that be enough?" The agent replied with, "Well, we will certainly take it into consideration." He was about as non-committal as one could be.

Research

At this point Mr. Flippin decided to do some research. He began by reading his policy, which nobody ever reads. (Have you read yours?) The basic policy said Nationwide would pay "...the actual cash value of the property...at time of

loss..." (This is the way all standard indemnity policies read.) Nationwide's Virginia Endorsement 2004 (Stated Amount Insurance) replaced the wording in the "Limit of Liability" section with words saying they would pay the lesser of "...the stated amount in the declaration or the actual cash value of the stolen or damaged property..." The words at time of loss were not there. They had been dropped. This appeared to be reasonable because the value of the car had been agreed to in advance. Thus, the value of the property at the time of loss was really not an issue (or so he thought).

The Nationwide claims adjuster, and Nationwide itself, would have nothing to do with that interpretation. Although no one could explain why the words were missing, Nationwide maintained that it really did not matter. Their position was simple: Nowhere in the contract (policy) did it state Nationwide would pay the stated amount in the event of a total loss. Mr. Flippin considered this wording to be ambiguous and, although the claims adjuster agreed, he would not change his position.

Stated Amount

Additional research revealed there are, in fact, two types of stated policies. One is a stated amount policy in which the premium is based on an amount stated by the insured. Losses, however, are still based on the actual cash value (ACV) of the property at the time of loss, but not to exceed the stated amount. To pay the stated amount automatically would create a moral hazard in that policy holders could overvalue their cars, thus making a profit. This is contrary to the basic principle of indemnity which is to restore a person to the position they were in before the loss. (Mr. Flippin contends, however, Nationwide effectively removed the moral hazard by having their agent inspect the car prior to issuing the policy.)

Stated Value

The other is a stated value policy, which is a true *valued* type of policy where both parties agree, in advance, as to the value of the property. In the event of a total loss, the company will pay the full face value of the policy. It turns out this is an Inland Marine type of policy generally used with works of art, boats and other marine equipment. There are a few companies, however, that do offer it as an automobile policy. This difference may be the reason for the wide misconceptions about stated value policies. Mr. Flippin asked eleven different Nationwide agents how the company would settle a stated value policy. None of them corrected him by saying they were actually stated amount policies, five of them said the company would pay the full stated amount and five of them did not know. Only one actually knew the company would not pay the stated amount in the event of a total loss. He said he chose not to sell that type of policy because the insured pays an additional premium and receives no additional protection. In fact, the insured receives less protection. The standard indemnity policy pays the ACV at the time of the loss with no limit on the company's liability. The stated

amount policy still pays the ACV at the time of the loss, but the company's liability is limited to the stated amount. For example: Assume a car has an ACV at time of loss of \$10,000. For an \$8,000 stated amount policy, the company would only pay \$8,000, where they would pay the full \$10,000 under a standard indemnity policy. The insured pays an additional premium for the "privilege" of limiting the insurance company's liability.

Suit Filed

Discussions with various levels of Nationwide were of no avail. The Nationwide claim adjustor's supervisor finally said, "There is no way I am going to pay \$3,000 for that car unless directed to do so by my superiors or a judge." So, on October 13, 1989 Mr. Flippin filed suit in the General District Court of Fairfax County for \$7,000 (\$3,000 for the car plus \$4,000 punitive damages). The case was heard on February 15, 1990. He represented himself and did not do too well. The judge awarded him only \$1,500, which was the low value listed in the current CPI (Cars of Particular Interest) guide and dismissed the punitive damages portion of the case. He, unfortunately, based his opinion on the value of the car at the time of loss. As a result, Mr. Flippin has appealed the case to the Circuit Court of Fairfax County in an effort to confirm, in a court of record, his allegations the policy is ambiguous and Nationwide practiced constructive fraud by saying the policy would do one thing but settling it differently. (A trial date had not been set as of the date of this printing. The results will be reported in a future version of this flyer.)

Legal Precedence

There is legal precedence for both of these positions. With respect to ambiguity (a breach of contract), they are always decided against the drafter. In addition, there is the doctrine of reasonable expectation. The courts interpret an insurance policy to mean what a reasonable buyer would expect it to mean, even though the actual words may say something else. The Virginia Supreme Court has held as far back as 1887 that ambiguities are to be decided in favor of the insured (more recently *St. Paul Ins. v. Nusbaum & Co.*, 227 Va. 407). As for the constructive fraud portion (a tort), the Virginia Supreme Court has clearly defined the five elements that constitute constructive fraud in *Nationwide Ins. Co. v. Patterson* 229 Va. 627. In addition, punitive damages usually cannot be found in a breach of contract "...unless there is an independent and willful tort..." in which case a joinder is permitted (*Kalmer Corp. v. Haley*, 224 Va. 699 and the Code of Virginia §8.01-272).

Advice To Other Owners

If you currently have (or have had in the recent past) a total loss against such a policy and they did not pay the full stated amount, it is recommended you run (do not walk) to your nearest lawyer and show him this flyer. There is a possibility you may have grounds to recover the full amount. If you have a stated value policy and have not yet suffered a loss, it is suggested, in the strongest possible terms, that you read it, paying particular attention to the section entitled "limits of

liability." The words STATED AMOUNT on the declaration page is a red flag. Read the respective endorsement very carefully (in the case of Nationwide in Virginia, it is their Endorsement 2004 entitled "Family Automobile Policy - Stated Amount Insurance"). More than likely, it is based on ISC form E167 which states:

"The limit of the company's liability for loss shall be the lesser of:
(a) the stated amount shown in the Declarations,
(b) the actual cash value of the stolen or damaged property, or
(c) the amount necessary to repair or replace the stolen or damaged property."

Unless it is was written by one of the few companies issuing such policies, you probably will find the policy does not say the company will automatically pay the stated amount in the event of a total loss. In addition, discuss this with your agent immediately. Ask the following questions:

- 1) Will the policy, in fact, pay the stated amount in the event of a total loss?
- 2) If no, why did you buy it?
- 3) If yes, have him show you where it says that in the policy.
- 4) Will the company insure the same car under a standard indemnity policy?
- 5) If so, what would be the premium?
- 6) What additional consideration are you receiving by paying the additional premium?

Final Recommendations

The best recommendation was from an independent agent who admitted such policies were ripoffs when sold to those looking for a *valued* policy. He said the best thing a person can do is use the cheaper standard indemnity policy and maintain a portfolio on the car in question. Include a complete set of close up and detailed photographs, a current appraisal from someone qualified in that type of car (and does not sell them), and a collection of clippings from car magazines and newspapers showing the current market prices for cars of the same type and condition along with copies of all receipts related to the car.

Another alternative is to obtain insurance from one of the few companies writing valued types of policies. Only four such companies have been found to date: Central Mutual, Chubb, Midwestern Indemnity and Zurich-American.

Remember, have your agent show you, in writing, where it says the insurance company will pay the stated amount in the event of a total loss.

This flyer is being distributed in an effort to educate readers about "stated value" policies. Readers are urged to pass this on to others who might have such a policy. This flyer may be freely copied for any non-profit use. ←

If you have a stated value policy with Nationwide, have been told the same thing and live in Virginia, then please contact the author as he would like to discuss it with you.



ONE STATION SQUARE, SUITE 450 PITTSBURGH, PA 15219-1170
412/471-5808 FAX: 412/471-1633

December 23, 1991

DIRECTORS

G. Whitney Snyder

President

Mary Lu Denny

Secretary

W. H. Artzberger, Jr.

Arthur J. Brosius

Donald C. Burnham

Arthur L. Caldwell

Harold G. Hall

Randy Hall

Erle M. Heath

James G. Hellmann

Warren J. Hoyer

Richard Jevon

Jess B. Mellor

W. D. Roberts

L. R. Smith

TO: TRANSPORTATION MUSEUM SOCIETY MEMBERS

The Transportation Museum continues to expand in exciting ways and we want you to know of these activities to date.

First, an agreement has been reached which permits us to take over the Diner which formerly housed a jewelry store in front of the Museum and across from Houlihan's. We will keep the present Museum building and add the space of the Diner to our facility by making a passageway through the wall so that one can walk from one building into the other. This passageway will be in the form of a ramp which will also accommodate wheelchairs for the disabled.

We plan to make the new space into a shop plus some extra exhibit space primarily for model trains, boats, and cars. We will sell transportation related models, toys, books, pictures and other appropriate items.

Additionally, we want to remodel the existing Museum building and provide a large window facing the parking lot which will permit us to display older cars which are for sale by their owners.

Our aim is to boost attendance, revenue and general recognition with this added visibility and attraction. To reach these goals, we need lots of volunteer help.

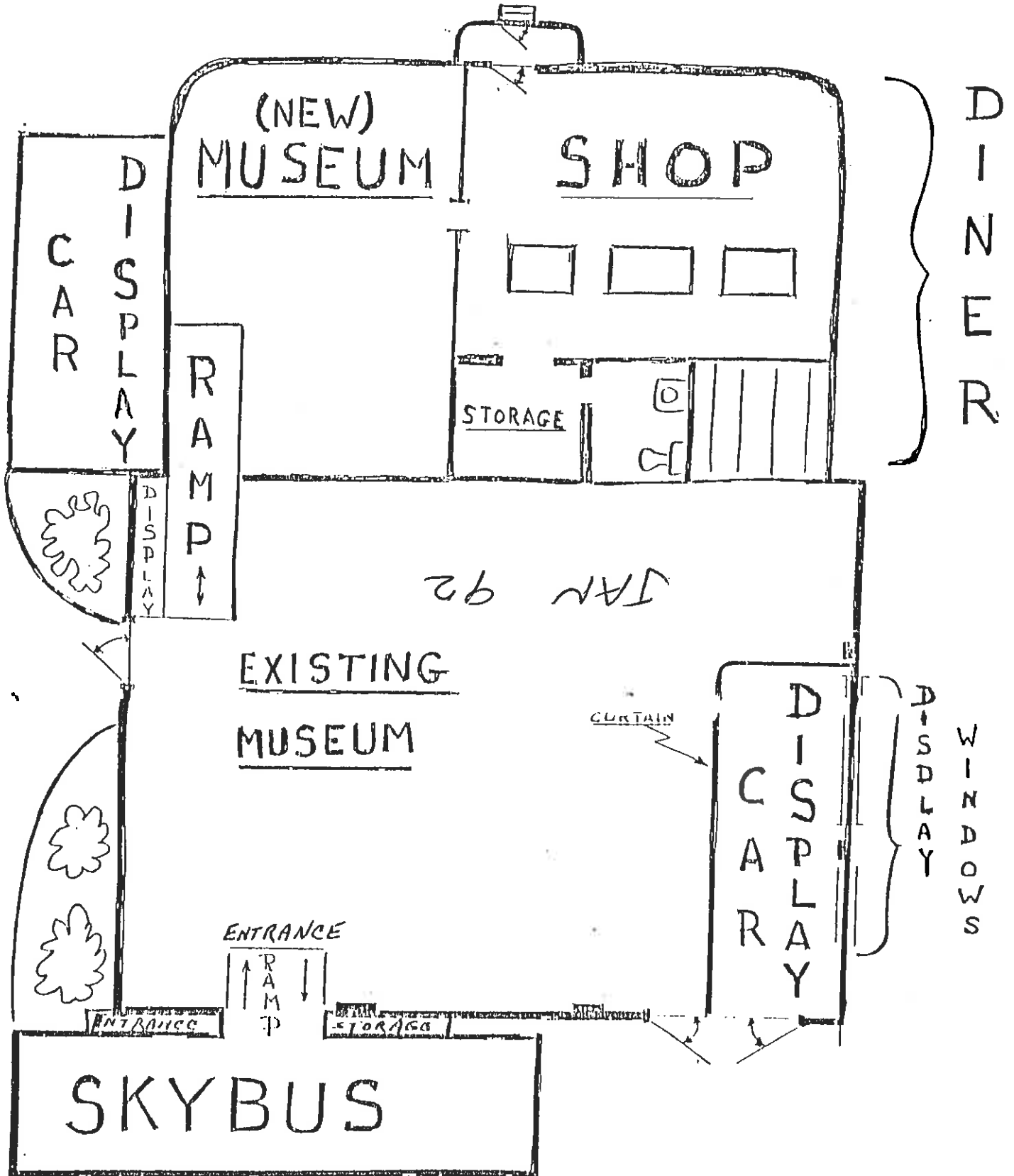
HOW CAN YOU HELP?

Remodeling - With the installation of the passageway from the Diner into the Museum, you may be able to help the contractor with such things as painting and other chores. Please call Bill Artzberger at 364-6842 if you are interested.

Museum Attendants - The remodeled Museum will require two people on duty together to serve the shop and to cover the present Museum because one person cannot observe the entire facility at once. Call Mary Lu Denny at 471-5808 to volunteer OR if you have some suggestions about enhancing the shop idea.



STATION SQUARE TRANSPORTATION MUSEUM



EXISTING MUSEUM
 DINER
 OUTDOOR DISPLAY
 SKYBUS

40 X 30 =	1200 F.
36 X 25 = 900 FT ²	
18 X 8 = 150	
30 X 10 = 300	<u>1350</u>
TOTAL	<u>2550 FT²</u>