Sparkplug

NEWSLETTER OF THE DEEP SOUTH REGIÓN

1999

The state of the state of

JULY 1990

1990 Club Officers

Editor: Pierre Fontana

Member at Large: Tom Brown

EDITOR: PIERRE FONTANA (205) 661-7098

The SPARKPLUG is non-profit and published for the information of our members and friends. Deep South Region meetings are held once each month on the fourth Thursday at 7:30 P.M. at the A.A.C.A. club-house at 951 Forest Hill Drive at Zeigler Blvd. The SPARKPLUG will be mailed the weekend before each meeting. Annual dues are \$15,00, This includes wife membership if she is a National A.A.C.A (or joint) member. National dues are \$18.00 single and \$22.00 joint (husband & wife). Membership is required in the National A.A.C.A. if you are a regional member.

1990 AUGUST 1990

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MINUTES OF DSR MEETING, JUNE 28, 1990

Don Dillehay, presiding

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Prayer by V. T. Hopkins

Visitors introduced; Ross Sloan, Robert and Isabell Savell

Minutes from last meeting and treasurer report were approved as read.
Bill Whiting donated a fire extinguisher for the club house.
Dale McLaney donated his time and a ballast to repair one of our light fixture.
The Club thanks both those gentlemen.
Pierre Fontana mentioned news from the newsletter we receive from other Clubs.

"Hop" mentioned an activity too near to put in our calendar, Fairhope parade on the 4 th of July, Battle Ship at 9 AM, E.D.T. 9.15. Parade formation at the School. Parade to end at Pier. Food, drinks, music.etc...
"Hop" told us of his trip to Texas.

Floyd and Betty Jordan's outing was acclaimed a success, we all thank them for their wonderful hospitality.

The Craigs had presented the Club an artist print of their Club house, it was decided to have it framed and displayed.

Ray Harper made a motion to cearmark \$ 2500.00 for the show next year and to nominate Geary Polk as chairman. The motion carried.

Suggestion were made to invest part of the general funds and show funds into CD's until needed, a motion was made to let our Treasurer find the best ways to accomplish this, the motion carried.

Don mentioned Gladys Edward is in a brace, Elvin Few is wheel chair bound and both are unable to make meetings, Art survived his surgery but is facing more.

Welcome to some new members voted in ;Steven and Carolyn Hasty,Ron Pearson Robert and Isabell Savell;Phillip J. Kreis; Cameline P. Casteel; Howard Shaffer and Ross Sloan.

We had another visitor with a proposition, if I understood correctly, they are making a rael low budget movie, they are looking for extras and props like your cars, a certain year limit, 60,s or earlier. But you will have to work for the glory... His name is Robert Dorsay (343-3453)

Meeting Adjourned to McDonald.

Pierre Fontana
Acting Secretary



No. 1691 Push Type Lighter with Ash Receiver. List \$1.50.



No. 1690 Concealed Cordless Lighter, List \$2.00.



No. 2610 Luminous Glow Lighter, List \$1,25.



No. 1630 Concealed Cordless Lighter, List \$2.75.



No. 1085
"Glar-Dim." List \$1.00.

ACCESSORIES
OF THE TIME

FISH RIVER AT THE JORDAN'S:

Our president had this to say; Floyd and Betty know how to host a group of hungry DSR members. The weather was perfect, the food great.

THANKS FLOYD AND BETTY....

Since I was looking for this outing, I may as well tell you how I missed it. First the left front wheel cyl.started leaking, so we returned for a "Fix", then I noticed the inner wheel bearing race was trying to self distruct, so I was lucky found one. We left around noon. Turned off 98 on the correct road, I had no idea of surfacing on the old dirt road, we got so lost, the places I stoped to ask direction, they did not know where they lived....

So I can't brag about the cat fish, the gumbo and hush puppies............

Don gave this list of the lucky ones Floyd, Bety Jordan and family; Lloyd and Lycyle Crowdus; Howard, Agnes, Jimmy Shafe. Bob, Ann Hedberg; Ernie, Euginia Youens; Dale, Betty, Jason McLaney; Don, frances Dillehay; Jewell Bell, Charlotte Vinson; James, Emma Frances; Geary Polk+birthday cake; Margaret Ellis; Hop, Lavern Hopkin; H.D. Jeanette Low; Junie, Ann Jarvis, Max McClendon and Wife.

I feel so jealous, I hope some of you needed alka-seltzer at least.....

Pierre

PAY ATTENTION: INCLUDED IS A COPY OF AN INSURANCE CLAIM AND THE RESULTS

I personally think the example is bad, we all know the 53000.00 dollars is usually not a Mustang Coupe....

The article makes a point, Stated Value means nothing to certain insurances, I spent some time in Court as an expert witness between insurance Co V.the car owner, in fact one was about a Mustang.

KEEP ALL YOUR BILLS, EXPENSES, TRAVEL TO GET PARTS, PHONE CALLS, BABY _SITTER ETC...

You will need them, this is what most companies will offer you, for more you will have to fight, pictures, affidavit of value from expert, pages of Hemmings with same car as you have, from the best of condition to the poorest, since your car will fit some where in between.

JULY THE 4 th FAIRHOPE

We formed our group at the Battle-ship and headed for the parade. The parade formed at the school parking lot, Bob Mason made every one line up, loaded the pretty girls in the cars and away we went. We picked up lots of other cars on the way, a well restored 54 TD,67 Alpine,70 TR-6,69 E-Type,lots of MG's, even a replice "A" A rare thing happened, the minute we arrived at the Pier it started to rain....Deja vu.

The rain only lasted a few minutes, we accepted Bob and Sue's invitation and followed them home for snacks and drinks.

True to tradition, as car lovers, their garage is like a den made for pleasur during the work.

68 Pontiac, David-70 TR-6, Mel & Eric 55 Chevy P/U, Lawrence- 57 Chevy Pierre & Sharron-62 Rambler, Lloyd 59 Met., Ernie & Euginia-61 Met.junie & Ann-32 Auburn, art. & Doris-29 "A" Don & Frances-27 Chevy "Hop"-67 Sunbeam, Bill & Eddie-80 MG-B Bob-70 MG-F Sue-54 MG-TF, Scot-77 MG-B Michael 69 Jag, Vince-Replica "A", Allen & Patty.

Pierre.

This way the Judges do not think you are pulling his leg.

Get with your agent re-read your policy Keep a thick file on your cars or guns you will need more than a serial number to collect on a valuable gun too.

Article copied from the newsletter of the Antique Vehicle Cub of Mississippi. A very valuable tip......

Pierre.

Stated Value Automobile Insurance

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

Editor's Note:

If you own an classic or antique car, then this article is must reading.

CENTREVILLE, VIRGINIA, March 13, 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! WRONG! If any of this sounds familiar you may have been mislead by one of the most widespread misconceptions that exists today in the automobile insurance industry.

Background

In 1985 Mr. J. Bradley Flippin (Brad) 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, Brad 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?" he asked. "Well, not exactly, 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. He was required to bring the car by the agent's office so the agent could inspect it and photograph it for the agent's files. He paid about \$205 for six months of basic coverage, including the \$3,000 stated value declaration (A standard idemnity policy on the same car would have cost only about \$175).

Claim Time

On July 29, 1989 Brad neglected to watch the green left turn light at an intersection and turned directly in the path of an on coming car. The impact was so great that it knocked him into the passenger's seat where his head crashed through the passenger's side window shattering it. (Moral: Wear your seat belts.) The claims adjuster declared the car a total loss. Brad sent the claims adjuster 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!" Brad said, "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 night be provided to him. "If I can get an appraisal showing the car was worth \$3,000, would that be enough?" He replied with, "Well, we will certainly take it into consideration." He was about as non-committal as one could be.

Research

At this point Brad 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 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 the 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. Brad considered this wording to be ambiguous and, although the claims adjuster agreed, he would not change his position.

Stated Amount

Additional research revealed that there are, in fact, two types of stated polices. One is a <u>stated amount</u> policy in which the premium is based on an amount stated by the insured. Losses, however, are based on the actual cash value (ACV) of the property at the time of the loss. To pay the stated amount automatically would create a moral hazard in that policy holders could over value their cars, thus making a profit in the event of a loss. This is contrary to the basic principle of indemnity which is to restore the insured to the position he was in before the loss. (Brad contends, however, that 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 that these are Inland Marine types of polices generally used with works of art, boats and other marine equipment. There are a few companies, however, that do offer them as automobile policies. This difference may be the reason for the wide misconceptions about stated value policies. Brad 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. Assume a car is actually worth \$10,000. For an \$8,000 stated amount policy, the company will 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 all 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 Brad filed suit in the General District Court of Fairfax County for 57,000 (\$3,000 for the car plus \$4,000 punitive damages). The case was heard on February 15, 1990. Brad represented himself and did a poor job at it. The judge awarded him only \$1,500, which was the low value listed in the current CPI (Cars of Particular Interest) guide. The judge, unfortunately, based his opinion on the value of the car at the time of the loss. The judge also threw out the punitive damages portion of the case. As a result, Brad has appealed the case to the Fairfax Circuit Court 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 (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. 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 stated value endorsement very

carefully (in the case of Nationwide, this is their Endorsement 2004 entitled "Family Automobile Policy - Stated Amount Insurance"). More than likely, it is based on ISO 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 (or is written by one of the few specialty companies that places severe restrictions on the use of the car), 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 you, 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?

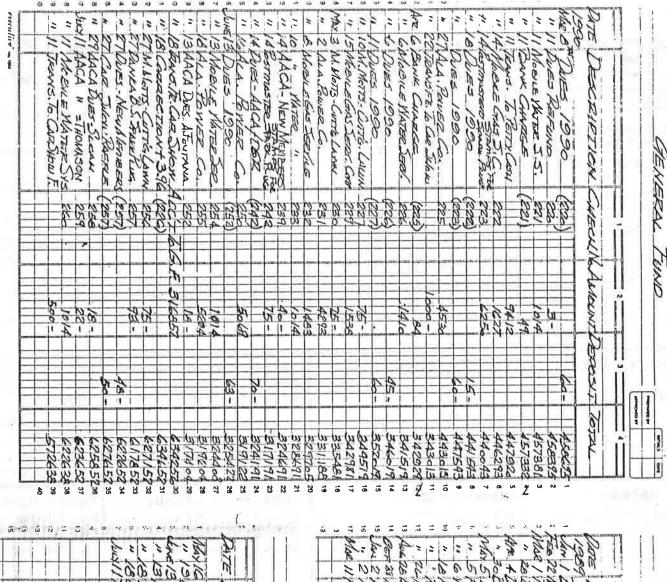
Final Recommendations

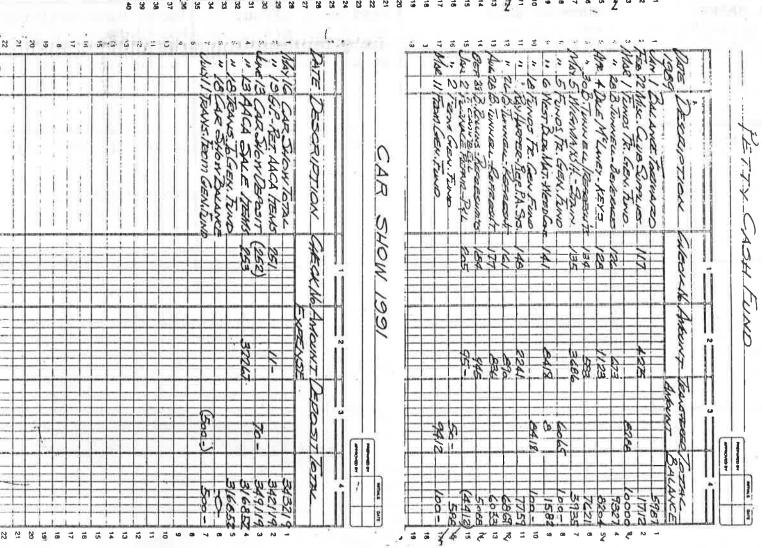
The best recommendation—was from an independent agent who admitted such policies were ripoffs. The agent said the best thing a person can do is to use the cheaper standard indemnity policy without a stated amount endorsement and maintain a portfolio on the car in question. Include in the portfolio a 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 (other than routine maintenance). Another alternative is to obtain insurance from one of the few companies writing valued type of policies. Only three such companies have been found to date: Chubb, St. Paul, and Zuric-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.





1991 SHOW PROTOCOL

SHOW CHAIRMAN: Geary W. Polk 342-4594

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TENTS, LIGHTS. Tex Faust 633-5331	BANQUET, FOOD, DRINKS Brenda Rollins 661-1696	COSTUME CONTEST Doris Griffin 342-7013 Jewell Bell						
RUMMAGE SALE: Laura Faust 833-3331	PARKING & LAYOUT Keith Sanders (904, 473-3171 Nelda Sanders	MOTOR HOME, TRAILERS H.DLowe 666-1555						
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D d you know...

- 1. Who claimed he became a car maker because he didn't like the smell of horses?
- 2. What car company came out with the first H-pattern gears?
- **3.** In 1897, what car was designed and built by identical twin brothers?
- 4. Who brought out the first high-speed V-8?
- 5. Believe it or not, one car's price steadily dropped over the years it was produced—which car was it?
- **6.** Which company came out with the first multigrade motor oil?
- 7. What do the letters in Fiat stand for?
- **8.** What car maker started out as a bird cage manufacturer?
- 9. Henry Ford said he always took his hat off whenever what make of car passed by?
- 10. What family business grew from pre-Civil War wagon makers to the first car manufacturers to use mechanical fuel pumps?
 - 11. What American car company was cofounded by a Swiss inventor who was raised in France?

"ants to know how smart

Did You Know ...

1. Ransom Eli Olds, who founded the Olds Motor Works in 1899 and built the first factory designed originally for auto making. 2. The Packard Company, in 1901, whose first car hit the streets of Warren, Ohio, in 1899.

3. The Stanley Steamer, by Francis E. and Freelan O. Stanley, who also had a thriving dry-plate photography business they eventually sold to Eastman Codak. 4. Cacillac, which was also the first to build engine with interchangeable parts. Before, engines were handcrafted, with no two exactly alike. 5. The Ford Model T: it cost \$850 in 1908, \$525 in 1913, and only \$290 in 1924 (no wonder 15,456,868 were sold in the 19 years it was produced.) 6. In 1952 Exxon introduced the first modern multigrade motor oil (SAE 5W-20). 7. Fabbrica Italiana Automobili Torino, written as the initials F.I.A.T. from 1899–1906, and now as one word.

8. George N. Pierce, of the Pierce-Arrow, a car that sold for a whopping \$6,000 in 1915 and came complete with an umbrella holder, bud vase, and chauffeur phone. 9. The Alfa-Romeo, named for the company Anonima Lombardo Fabbrica Automobili (ALFA) and the engineer who took it over in 1909, Nicola Romeo. 10. The Studebakers, who began making wagons in 1852 and stopped making passenger cars more than 100 years later, in 1964. 11. Chevrolet Motor Company, in 1911, by Louis-Joseph Chevrolet with William Crapo Durant, who bought Louis out in 1918.

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You don't need to be a mechanic to solve this automotive puzzle.
There are 11 car part names

STATEMENT OF FACTS.....

Since I have been appointed to write the facts for this club, I feel I must do so, I am not trying to step on any one's toes.

It is no one's fault.

Every year we are almost \$ 2000.00 poorer, that is what IT takes to run our club for one year.

That includes every thing, from the toilet paper to cutting the grass. It is necessary.

The point is, three years from now we will be "BROKE", the way we are doing our "THING".

WE change now, or we are in trouble..

There are many solutions I am sure, they should be addressed now,

You have been told, that is my job.

What you decide, it is your Club is your job,

Since our show is our biggest activity I have a suggestion, we open it to the public, we offer them something so they will come and BUY what we offer, food drinks, others... It can be done, we have done it in the past.

IT takes lots of advertising, calling on ,old friendship with the local Paper and television, again we have done this before, it worked, we rented the Auditorium for our shows.

Boy do I hate the word committees, it makes me feel like a herd of something but I think it is time to face our problem,

Now IF you want to ignore this, tell me, I will not mention it again.

Since we cannot depend on the Mall contribution, and even with it we are still a little short, it is time for us to come up with a suggestion

Pierre.

CHARLIE'S CALENDAR OR WHAT PELICANS DO.

UPCOMING ACTIVITES:

14-22 Chrome Glidden Tour, Georgia

21-22 Car Show, Gadsen, AL

Jul 28-29 Third Annual Mississippi Autorama, Bill Shultz, 601-875-6730 The Coliseum, Biloxi, Info:

Aug 3-5 CENLA AACA Tour, Eunice, LA

AACA Gathering at Lake Arthur,

Aug Aug 11 25 Pensacola AACA Car Show, Milton, FL 32570 904/626. 904/626-0603 Info: Carmon Grace, R x o B 148,

Sep AACA National Meet, Louisville, KY

Swap Meet, Shreveport, LA

Sep 22-23

Oct 11-13 HERSHEY

Oct, 6 NOTE THIS CHANGE -Tentative Date, New Orleans Antique Auto Show

LouisianaRegion AACA Fall Tour (To East Texas?)

Kruse New Orleans Collector Car Auction

мау 20-24, 1991 AACA Founder's Tour, Lafayette Area, Sponsored by Louisiana

Next Upcoming Events letter on your activities and it wi about September 1st. September 1st. Send me information included. Semd me 40 flyers on your my mailing. Several examples are

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Region South Deep

PIERRE FONTANA (EDITOR) 100 Billingsgate Road



ERNIE YOUENS SECOND AVENUE SARALAND AL 36571

