

## County chips at high cost of liability with its own piece of the rock

By TOM LONERGAN

"Risk management" sounds like a topic for an insurance company seminar. It is. But it's also a program that Oakland County Road Commission officials believe is saving money — money it isn't paying to an insurance company in higher liability premiums.

"We just could not sit by and let insurance costs go up \$500,000 a year," said Managing Director John Grubba.

In recent years, the number of insurance claims and law suits citing road defects has soared.

Faced with claims of \$72 million in September 1977, the agency decided it was high time to pay more attention to safety measures on the 2,500 miles of county roads it maintains.

THE ROAD commission wasn't the sole target of the \$72 million, said public information officer, Dennis Pajot. But the agency is frequently targeted by accident victims as one of several parties.

On every (Board of Road Commissioners meeting) agenda, almost, we

have someone suing us or filing a claim for damages," Pajot said.

With no change, the road commission's general liability and umbrella insurance coverage would have increased to nearly \$1.5 million in 1978 compared to \$60,000 in 1973.

Instead, the road commission will pay private carriers nearly \$1 million this year to cover potential awards to accident victims.

Set aside this year in a self-insurance fund was \$525,000. That money is invested to earn interest.

The road commission took other steps in its risk management program, such as spending \$500,000 last year on safety improvements.

Half was used for shoulder paving along two-lane roads in less developed areas.

It purchased six mini-spreaders to spread salt and improve ice control.

It increased pothole and edge-cut repairs.

And it is seeking federal funds to repair 11 bridges in the county.

GRUBBA ADMITS, however, that

**'Safety has always been an element. But it hasn't been the determining element. Now it is.'**

— John Grubba

the casual motorist actually observes little of the road improvements under the risk management program, now in its third year.

"I don't think people will notice it over the period we've been in it."

Referring to the shoulder paving, he added, "The only time you'd notice is when you get off the road."

While he's "not ecstatic about the rate of improvement actually going on on roads," Grubba is a big booster of the highway risk management program. He says it saved the road commission \$400,000 last year.

"Safety has always been an element" in road commission decisions, he said. "But it hasn't been the determining element. Now it is."

The five-year plan to reduce road

hazards has been assisted by the University of Michigan Highway Safety Research Institute and the Traffic Improvement Association (TIA) of Oakland County.

"There's no way statistically we'll be able to demonstrate positive effects in less than five years," says Grubba.

"The only measure is to look at accident statistics to see if there has been a drop over some years. If it hasn't (dropped), we ought to scrap the program."

Last fall, the road commission awarded an \$87,600 contract to Goodell-Grivas, Inc. of Southfield to list roadway characteristics and roadside obstacles found throughout the county. That data will be added to a computer bank TIA keeps on road hazards.

"SUING THE government used to be a difficult task," said Grubba, a lawyer. "Now we're wide open... the idea now is to 'sue the bastards.'"

In recent years, Grubba said, courts have "taken away governmental immunity." In the road commission's case, he adds, its liability was expanded from the travel portion of roads "from shoulder ditches to who knows where."

Grubba said courts "are continually telling highway agencies they have an obligation to warn" drivers of road hazards. The road commission's response has been to improve signs.

Although the number of liability claims filed against the road commission has increased in recent years, Grubba said, "We have not had what I would consider a bad experience in damage losses."

Last year, it paid \$3,400 in damage claims, down nearly \$18,000 from 1978. But the amount of money the agency has kept in anticipation of unsettled claims and lawsuits has been increased.

In 1978, Grubba said, the agency

kept \$100,000 in reserve while last year reserves were in excess of \$1 million.

If a claimant isn't satisfied with what the insurance company offers, a lawsuit could follow. Grubba added that an accident victim has up to two years from the date of an accident to sue the road commission.

In 1978, he said, 138 claims and 13 lawsuits were filed against the agency. Last year, there were 119 claims and nine lawsuits.

SMALLER, BETTER-mileage cars have led to a decrease in gasoline consumption statewide which road commission officials say has put a crimp in their main funding source — state gas and weight taxes.

Even though taxes paid by motorists have increased, the road commission's share of gas and weight tax revenues has not increased substantially the past few years, they said.

With a 2.5 percent increase this year from the state fund, the road commission says it doesn't have money for new roads and road widenings.

## LIGHTS...CAMERA...ACTION

Set sail with Roland shirts  
in a bounty of bright colors

"You men are out of uniform," bellowed Captain Bligh. "Not for where we're going," said Fletcher Christian in his brightly colored epaulet shirt for \$27. "You're not fit to command this vessel, Bligh," added the ship's surgeon in his doctor style shirt for \$24. The rest of the crew, dressed in charged up colors like yellow, turquoise, red and others, all agreed. "Who's responsible for this," Bligh demanded. "Roland of California," Christian responded. All shirts in cool polyester/cotton blends. The Woodward Shops for Men, all stores.

Entertaining with Flair and Ease—California style. Michael Batterberry, Editor-in-Chief, and Peter Prestcott, Associate Editor, of the "International Review of Food and Wine" will host a Marketplace event on Tuesday, Jan. 29, 12:30-2:30 p.m. at Oakland (for reservations call 223-2405 or 223-1204) and a California wine-tasting that same day, 7 p.m. in the Seaway Room at Eastland. Tickets, 7.50 per person, at Hudson's Ticket Office; Downtown, Northland, Oakland and Eastland.

What's Cooking in California: Sunny, healthful recipes using California fruits and vegetables, will be demonstrated in our Marketplace kitchens. Come to a two-hour session on



**HUDSON'S**  
California adventure

"Home Entertaining, California style" at Downtown, Jan. 24, 25 and Feb. 1 at 12 noon. At Northland, Jan. 26, 12:30 p.m.; at Eastland, Jan. 24, 25 and 31, at 12:30 p.m.; at Westland, Jan. 31, at 12:30 p.m.; at Oakland, Jan. 31, 12:30 p.m.; at Fairlane, Jan. 25, 6 p.m., Jan. 28, 12:30 p.m., and Jan. 29, 12 noon; at Twelve Oaks, Jan. 29, 12 noon; at Lakeside, Jan. 30, 12:30 p.m.; and Briarwood, Jan. 26, 12:30 p.m. "Elegant Lunch, California style" will be demonstrated at Northland on Jan. 24, 12 noon; at Oakland, Jan. 25, 12:30 p.m.; at Southland, Jan. 28, 12 noon; at Fairlane, Jan. 31, 12 noon. And "Fine California Luncheon" will be demonstrated at Pontiac on Jan. 26, 12 noon.