



## In from the beginning

Federal-Mogul is celebrating 75 years in the automotive supply business this year. Established in 1899, the company's forerunner — The Muzzy-Lyon Co. — began two-man operations in a storefront building in downtown Detroit. Today from its Southfield offices the company directs worldwide operations with 14,500 people in 48 manufacturing plants, 56 distribution centers and five major research installations.

## Insurance needs change yearly

Do you know what it would cost to replace your house today? Before you answer, consider how long ago you tried to make such an estimate.

Even if it was as little as a year ago, your figures probably are out of date, according to the Insurance Information Institute.

A brief look at some elements of the Consumer Price Index (CPI) of the U.S. Department of Labor show why.

**FOR INSTANCE**, these statistics show that \$100 worth of construction in 1967 would have cost \$152 in December, 1973, an increase of more than 50 percent.

Later CPI figures for specific areas of home construction and maintenance paint an even darker picture.

For instance, \$100 worth of house maintenance and repairs in 1967 would have cost \$162.20 in March, 1974. Figures for the same period show that the cost had risen to \$145.10 for the commodities used in house maintenance and repair; \$169.60 for the services needed in house maintenance and repair; \$179.80 for repainting living and dining rooms; \$180.50 for resingling roofs, and \$139.50 for residing houses.

With these skyrocketing costs, the institute says that you may find yourself faced with repair and reconstruction costs that far exceed your insurance coverage. This would be particularly true if you have not checked your coverages for several years.

This spiraling inflation has been aggravated by the shortage of petroleum, which is a necessary ingredient in the basic primary fuel used for production of such things as heating and electrical insulation, plumbing materials and roof tiles.

**IT IS SURPRISING** how many home owners fail to realize that their insurance protection is inadequate. An analysis of fire losses on homes in one state, for example, reveals that only one home owner in three carried enough insurance to cover even one-half the replacement value of his house.

Assuming that it would cost \$30,000 to replace your house at today's swollen prices, how much insurance should you carry on it? Since you will collect no more than the face amount of your policy should you have a total loss, it is easy to see the advisability of not having coverage in excess of your home's full value.

Most persons who own their homes have them insured under a special package policy commonly called homeowners policy. This policy is also available to those persons who rent homes or apartments and thus need insurance only on their personal property or to protect them against any liability which they may incur as the result of any of the persons injured in their home.

Within the package of coverages in the homeowners policy is a clause called the replacement cost provision.

This provision gives the property owner an added advantage when it comes to claims for partial damage to his house. If he carries insurance at 80 percent of value or more in the case of a \$30,000 home this would be \$24,000 claims involving damage to the building are settled on the basis of the full cost of replacing or repairing. In other words, no deductions would be made for depreciation, as is customary in settling insurance losses.

**IF HIS INSURANCE** is less than 80 percent value, he will re-

ceive less than replacement cost but in no event less than actual cash value (replacement cost less depreciation).

Assume that painting and other interior decorating in a house has a life of 10 years and that smoke damages the interior of a house decorated five years earlier, under the replacement cost provision, the full costs of repainting and redecorating would be paid by the insurance company. Without the provision, the insurance company would pay only one-half of the loss because the value of the decorating would have depreciated to one-half of its original value.

The amount of coverage you purchase on your dwelling becomes the basis for determining amounts of coverage which are automatically assigned to appurtenant private structures (garage), personal property and additional living expenses while your house is being repaired.

If you have chosen the broad form of the homeowners policy and your house is insured for at least 80 percent of its replacement value (in this example \$24,000), your other private structures are now insured for \$2,400 (10 percent of the dwelling); your personal property for \$12,000 (50 percent of the dwelling); and you have an allowance of \$4,800 (20 percent of the dwelling) for additional living expenses you may incur if you're forced to find temporary housing after a fire.

The institute suggests that if you are not sure of the replacement cost of your home, have your insurance agent give you the name of someone who can appraise it and provide you with this useful information.



D. C. Elliott G. K. McCutcheon



M. J. Gibson E. B. Wilson

## Ford names 4 to posts

Four area residents have received new appointments by Ford Motor Company's Tractor and Implement Operations (North America), headquartered in Troy.

David C. Elliott of West Bloomfield Township becomes industrial sales manager. He was formerly north central district manager in Troy.

George K. McCutcheon, formerly assistant southeastern district manager in Georgia, becomes the training department manager. He is a Bloomfield Hills resident.

Monte J. Gibson of Bloomfield Hills, agricultural and consumer products manager for Ford Tractor Operations' general marketing office, becomes manager of the marketing plans department.

E. Bryan Wilson of Birmingham, formerly agricultural sales manager, succeeds Elliott as north central district manager in Tucker Ga.

## Business at a Glance

**BARRY M. HERTZ** of Southfield has been appointed technical sales representative in the elastomers department of Exxon Chemical Co. Hertz is presently assigned to the Southfield office. He was previously employed at Bechtel Corp. as a system design engineer.

**JOHN N. SHEVILLO** of Bloomfield Hills has been appointed regional sales manager for general products for the northeast region of Burroughs Corp.'s U. S. business machines group. He will coordinate sales activities for small computer systems, electronic computing and accounting systems, and adding machines and electronic calculators. Prior to his new appointment, Shevillo was manager of Burroughs New Jersey Commercial Branch in Bloomfield, N.J. He began his Burroughs career in sales in 1962.

**W. WILLIAM OTT** of Rochester was appointed public relations supervisor of Pontiac Motor division. He joined Pontiac in 1972 as a public relations representative and editor of Pontiac Tempo.

**WAYNE B. LYON** of Bloomfield Hills has been elected executive vice president of Masco Corp., Taylor. In this new position, Lyon will be responsible for all Masco's operating divisions and wholly-owned subsidiaries.

**ALBERT W. CRAMER** of Farmington Hills has been appointed plant manager of Chrysler Plastic Products Corp. He is responsible for directing all activities of Chrysler Plastic Products. He joined the corporation in 1957.

**WILLIAM L. DEMIENE, A.I.A.**, of Birmingham has joined Albert Kahn Associates, Inc., as senior architectural designer. He was formerly principal with the architectural firm of Linn Smith, Demiene and Adams.

**RICHARD R. THOMPSON** of Birmingham was named senior staff administrator of Pontiac Motor division's public relations staff. He had been Pontiac's manager of news relations since 1972. Prior to joining General Motors, he was news director and TV anchorman for WKNX-TV in Saginaw.

**J. DARBY TAYLOR** of Southfield has been promoted to the

newly created position of vice president-sales of the McCord Heat Transfer division of McCord Corp., Detroit. He will be responsible for the sale of the division's products made at the Plymouth and Washington, Ind. plants. These include agricultural, military truck and industrial radiators, oil coolers and air conditioning components. He joined the corporation in 1935.

**BRUCE L. HILKENE** of Birmingham has been appointed general director of personnel for the Chevrolet Motor Division of General Motors Corp. He had been director of personnel for Buick Motor division since January 1973. He joined the division in 1948.

**CHARLES F. BARNES** of Birmingham will be responsible for credit and control of Detroitbank Corp.'s new leasing subsidiary, Wabeco Leasing Corp.

**THE BIRMINGHAM-BLOOMFIELD BOARD OF REALTORS** has named J. Wesley McDonald of Union-Lake Village as Realtor of the Year and David Jensen of Birmingham as Realtor Associate of the Year.

McDonald is the founder and president of Greater Bloomfield Real Estate Co. and is in his 22nd year as a real estate professional. He is president of the Birmingham-Bloomfield Board of Realtors.

Jensen is associated with the Chamberlain Real Estate Co. and has served on the board's membership committee.

**MICHAEL D. SAMONEK, CAE**, executive vice president of the United Northwestern Realty Association (UNRA), Farmington, has been recognized as a certified association executive.

He qualified for certification by successfully completing a comprehensive examination covering major areas of association management such as: law, government relations, financial management, membership promotion, trade practices and communications.

The American Society of Association Executives is the professional society of the men and women who manage leading associations in the United States and Canada. ASAE has a membership of 5,300 executives. Their organizations in turn represent an underlying membership of more than 28 million individuals and business firms.

## Former resident to direct agency

Don Johnston, a Birmingham native and former resident, has been elected president and chief executive officer of the J. Walter Thompson Co., a world-wide advertising agency.

Johnston joined J. Walter Thompson in 1950 after graduating from Michigan State University with a degree in journalism. He later received a master's degree in international economics from John Hopkins University.

In a lengthy overseas career, Johnston has served as managing director of the company's offices in Amsterdam and Tokyo, and for five years was in charge of Thompson's operations in continental Europe.

**HE WAS GIVEN** responsibility for the agency's total international organization in 1971 and was elected to the board of directors the same year.

Johnston is the fifth chief executive officer in the agency's 110-year history.

The Johnston family lived for



DON JOHNSTON

## CITY OF FARMINGTON COUNCIL PROCEEDINGS

A regular meeting of the Farmington City Council was held on Monday, August 19, 1974. The meeting was called to order by Mayor Yoder at 8:05 P.M. All Councilmen were present.

City Officials present were City Manager Deadman, Capt. Byrnes, Director Jones and Clerk Vane. Minutes Previous Meeting were approved. Minutes of Other Boards were received and filed.

Permission granted to: United Foundation for Annual Torch Drive and to Lucy's Oldies But Goodies for Antique Show & Sale September 14th. Council requested City Manager Deadman to communicate with the Oakland County Road Commission and our State Legislators regarding the construction of Orchard Lake Road.

Request from Albert Herzog for variance to sign ordinance denied. Request from Earl C. Thomas for Special Exception Permit denied. Council requested City Manager Deadman to communicate with the Farmington Community Arts Council regarding their proposed budget. Council authorized City Manager Deadman to receive bids for Special Assessment, General Obligation and Motor Vehicle Bonds on Tuesday, September 3, 1974 at 8:00 P.M.

City Manager authorized to continue the employment of one DPW employee presently being funded through the PEP Program using the funding from the new CETA Title II Program, and to hire one new employee using funds from the new CETA Title II Program.

Council authorized City Manager Deadman to receive bids for a new Fire Pumper Truck. Department of Public Safety Operations Report for July, 1974 received. Tuesday, September 3, 1974 set as the next regular Council meeting. Monthly Bills approved. Meeting adjourned 9:50 P.M.

RALPH D. YODER, Mayor  
NEDRA VIANE, City Clerk

Published August 29, 1974

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**OPEN SATURDAY & SUNDAY AS USUAL**  
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LASAGNE, VEG. SALAD,  
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No Cover Minimum  
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