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pay an additional \$45, on top of their regular car license fee. This money goes into the state's uninsured motorist fund. Insured drivers pay only one dollar into the fund.

"A lot of people think that when they pay that \$45 they are getting some kind of insurance," Wingard says. "They aren't. They still ought to have at least liability insurance for claims against them by other drivers. Without it, they are personally liable."

Another misunderstanding that needs clearing up, Wingard says, is what happens when you change auto insurance companies.

"Suppose you have a policy with me," Wingard says, "and on its anniversary date I send you a notice that the premium is due. In the meantime, you've decided to insure with another company, so you merely ignore my notices, thinking that your policy with me will expire for non-payment. But actually you must return the policy to me so that I can cancel it. Otherwise you are still insured with us and still liable for payment of the premium."

Most people don't know this, and it creates a lot of misunderstandings.

Auto insurance in Michigan may change radically if "no-fault" insurance is legislated. There are many definitions of the term, and at this writing it is impossible to say what form, if any, will be adopted here.

But we can, nevertheless, explain the theory of no-fault insurance.

The present system of settling accident damage is based on a "fault" system. There was an accident. Someone must have caused it. That person should compensate the victim for his losses.

Stated that way, it is beautifully fair and simple. In practice, however, it can be a different story. First, there is the question, "Whose fault was it?" If you rear-end a car at a stop light, the fault is fairly clear -- you should have stopped sooner. But what if two cars sideswipe on a two-lane road. Who crossed the center line? Prove it. What if both of them were over the line?

Damage to a car is relatively easy to assess. But what is a life worth? What is an eye worth, or a leg, or paralysis? Or pain? How can a person prove that he is suffering? How can you prove that he isn't?

Too frequently, these questions must be resolved in court. This pits driver against driver, insurance company against insurance company, lawyer against lawyer. The issues are too often decided by the relative skills of lawyers, the willingness of companies to compromise or the willingness of plaintiffs to exaggerate injuries. The results are often long delays in settlement and capricious awards. Persons who deserve compensation may get nothing; those who may deserve very little can be handed an exorbitant amount by a sympathetic jury.

All this adds up to waste -- waste of money, waste of time. And it adds to the cost of driving your car, because it adds to the cost your auto insurance.

No-fault insurance, in its purest form, would eliminate the question of who caused the accident. It would eliminate the necessity of trying to recover losses from the other driver or his insurance company. Instead, each driver would collect from his own insurance company. Compensation for the intangible "pain and suffering" would be eliminated and the motorists would be paid only for their actual out-of-pocket losses, such as medical bills and damage to their car.

Proponents of no-fault say this would eliminate claim-padding and bring early settlements, which are now sometimes prolonged for years.

This description of no-fault insurance is over-simplified. There are many ways that it can be modified, but the above illustrates the principle.

Opponents of no-fault argue that it may make claims too easy to collect and bring about a general increase in all auto insurance rates. This would penalize the good driver, forcing him to contribute money for the benefit of the accident-prone.



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