

Lifestyles

Insurance and youthful drivers

by joan klein

John Smith is 45 years old. Jane Doe is 18 years old as is Jim Green. They have this in common: They each own a 1975 Chevrolet Impala. Each lives in the city of Harrisburg. All three automobiles are parked on the street overnight.

Each carries the same coverage for personal injury, comprehensive and collision insurance. None has been involved in an accident.

What they do not have in common are their annual insurance premiums. John, who is classified a "non-youthful" driver, pays \$210; Jane, a "youthful female" driver, is charged \$368 and Jim, the "youthful male" driver, must pay \$609. (Rates are approximate and will vary slightly among companies).

What are the reasons for these discrepancies? Insurance companies have amassed volumes of statistics. From these statistics, they have deduced incriminating evidence against the youthful driver, -- under 25 years old, -- and the male youthful driver in particular.

Those in the latter category constitute 20 percent of the driving public, but they are involved in 33 percent of accidents terminating in claims.

As might be expected, drivers of any age or sex who are at fault in an accident involving claims of more than \$200 are penalized by higher premium rates.

The penalty is constant. That is, for the first accident, the premium in all cases is multiplied by a factor of .55 and the surcharge is added to the basic premium for the next three years.

That seems fair, --but let us look at its result in our three hypothetical cases. Let us assume each has been at fault in an accident and damages are \$250.

The total penalty for Smith will be \$115. It is probable he will elect to pay the \$250 himself rather than involve his carrier. This, of course, will affect the statistics.

Our 18-year-olds might be less able to pay their damages out-of-pocket. The female will be penalized \$202 over the next 36 months for her \$250 claim and the male, a whopping \$335.

In effect, youthful drivers are penalized twice -- once in anticipation of their involvement in an accident and, again, if they should actually have one. This seems highly discriminatory.

One local insurance executive denies this is discrimination. Frank Brown (not his real name) says, "It is adverse selection."

Brown defines adverse selection as the companies' right to accept or reject a proposed insured on the basis of specifics. For example, driving record, moral turpitude and occupation are factors to be considered.

Once accepted, age, sex, geographical location, age of car, marital status and statistical data are some of the variables which affect the premium rate.

"Discrimination," he says, "is the pigeonholing of an individual into one of two possible categories which results in a penalty for one of the two."

It is Brown's view that adverse selection and discrimination are entirely different concepts.

The insurance industry, in these times of frightening inflation, is a useful target of criticism. In the area of auto insurance, however; the industry is not without difficulties of its own.

"Best Insurance News Digest" reports that, while premiums increased \$2 billion in 1975 to \$20.6 billion, claims and expenses in the same year exceeded this figure by seven percent. Inflationary trends in auto repair costs and medical care are seen as the culprits.

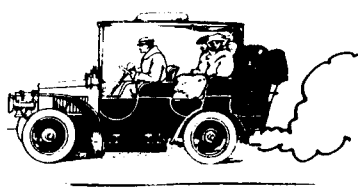
Obviously, no business can continue to operate at a loss. Insurance companies make up their losses with investment income. It's a chancy business and they would prefer not to insure automobiles at all.

"One insurance company attempted to eliminate this coverage in Pittsburgh and Philadelphia where losses are heavy," said Brown. "The Commonwealth of Pennsylvania ruled they had to continue or they would be unable to sell automobile insurance anywhere in the state. To cement the argument, they would also be denied the right to sell homeowner's insurance which is highly profitable."

The industry seems to feel as burdened as the insured. Since coverage is compulsory, the companies must make it available and the public, if it wishes to drive, must pay for it.

For youthful drivers who find themselves the victims of adverse selection, there is no apparent relief in sight. The office of the American Civil Liberties Union reports there are two letters filed on this subject. One is a copy of a letter to the Insurance Department of the Commonwealth of Pennsylvania asking what is being done. The other is a copy of the reply which says, in effect, "Nothing!"

A strongly organized and noisy campaign to draw legislative attention to the inequity of the situation might start the wheels of justice in motion. Short of that course of action, the judgment seems to be, "Guilty until proven innocent."



jan. 25 AUTO SHOW at the farm show complex
THEATER 'never to late' at harrisburg community theater
FILM 'fat city' hacc, 8 p.m.
THEATER 'never to late' hbg. com. theater

jan. 27 HOCKEY rochester at hershey 7:30 p.m.
PLANETARIUM 1:30 to 3 p.m. william penn museum, third and north streets
BOWLING bloomsburg at home 1 p.m.
BASKEIBALL caps at york college 8:15 p.m.

jan. 28 RUNNING 2 or 4 miles, meet the road runners at hacc, 1:30 p.m.
HIKING 5.5 miles at camp mehau, appalachian track club, meets at fisher plaza, 12:30 p.m., 737-0164
CANDLELIGHT CONCERT york college 3:30 p.m.
PLANETARIUM william penn museum, 'winter sky'

jan. 29 VOICE RECITAL professor ann mathews 8 p.m. at dickinson college, memorial hall
CONCERT james gentzler and the key stone brass quintet at york college, 3:30 p.m.
FILM 'voyage of the damned' york college 8:30 p.m.
BASKEIBALL caps vs. eastern college, home

jan. 30 RECITAL diane henderson, soprano at messiah college, 8 p.m.
KEGGAR bsu at student center

jan. 31 FLUTE RECITAL david barg at dickinson college, 8 p.m. adm. \$3
FACULTY CONCERT james huey and the chamber players 12 noon hacc

feb. 3-4 HCHCOCK FILM FESTIVAL 'the lady vanishes,' 'life boat,' 'strangers on a train,' and 'frenzy'

ART EXHIBITIONS

women in the arts till jan. 28 william penn memorial museum
artist's choice exhibition doshi center for the contemporary arts till feb.2 1435 n. second st.
maxfield parrish poster exhibit william penn museum
the photography group doshi gallery feb. 4 - march 2 opening reception sun. feb. 4, 3-5 p.m.
scholastic arts exhibit till jan. 29 hacc
new realism three artists hbg. art assoc. front st.



Did you ever...

compiled by sue girolami from the afternoon crowd in venderville

-have to give a speech on Canada, and when describing the hamburgers you come out with the statement that Canadians have flat buns.
-have yourself thrown into a trash can head first.
-go to a church for a wedding and find out you were two hours late. The people who invited you forgot to inform you of the time change.
-answer a question that was not directed at you but you thought it was.
-have a scarf pulled off your head when talking to someone you think is cute and underneath the scarf lies what's left of your hair.
-go to school during the fifties and have your hoops fall out of your hoop skirt when you were walking up the stairs.
-act crazy while sitting in a car at a gas station and when you turned around you saw the person in another car staring at you. Even worse, you knew the person!
-have to sip green paint out of straw to do modern art and you didn't hear directions and the paint ended up in your mouth instead of on canvas!
-come to a party and when you go in your trip and fall and then after try to explain you weren't drinking before you got there.
-go away for a weekend and when you come back you find your landlord had rented it out because he thought you had left. And then told you that you would have to share it with them.
- Well that does it and as Little Rose ann Roseannadana says "It's always something!" If you have any funny or strange experience please write it down [no name] AND SUBMIT IT TO THE C. C. Reader office W 129 or put in C. C. Reader mailbox in the SGA office.

COLLEGE POETRY REVIEW

The NATIONAL POETRY PRESS, announces

The closing date for the submission of manuscripts by College Students is **February 15th**

ANY STUDENT attending either junior or senior college is eligible to submit his verse. There is no limitation as to form or theme. Shorter works are preferred because of space limitations.

Each poem must be TYPED or PRINTED on a separate sheet, and must bear the NAME and HOME ADDRESS of the student, and the COLLEGE ADDRESS as well.

MANUSCRIPTS should be sent to the OFFICE OF THE PRESS.

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