

# Confidence Expressed That Insurance Claims Will Be Paid

The insurance agent of record for Medford School District 549C expressed confidence Monday that all school district claims against California Life Insurance company "will be paid eventually."

In a talk before the Medford Chamber of Commerce Roundtable the agent, Fred Brennan of the Medford Insurance Agency, reviewed the circumstances surrounding the more than \$6,000 of Medford accident claims against the California firm which have not been settled.

Brennan noted that neither he nor the attorney for

the school district, Edward Branchfield, were consulted by school officials at the time the student accident and medical insurance policy was taken out.

Further, he said, the company involved, California Life Insurance, has been licensed to do business in both Oregon and California for some time and had a record of prompt payment of claims in the past.

What could not be anticipated, Brennan said, was the action of the agent in making modifications in the policy "beyond the scope of her authority."

Brennan added that school officials who negotiated the policy "had no reason to doubt the wisdom of their

action" since the agent dealt with a representative of National Scholastic Agency, which has maintained offices in Portland for several years.

The agency has written policies for 27 other Oregon schools besides Medford, Brennan pointed out.

Brennan said the matter first came to his attention in December last year when he was called one day by Dr. Elliott Becken, assistant superintendent of schools for 549C, to discuss the non-payment of claims by California Life.

"I suggested that a letter threatening action be sent to the company," Brennan said, "and the next day I called the Insurance Department in Salem and asked their support in the matter."

The speaker said he was called the next day by Edward Zorn, chief deputy commissioner who said he had Beryl Stolpel of California Life in his office at the time.

Brennan said he was assured over the telephone by Stolpel that his office was working on the case and hoped the Medford people would be "patient."

Several days later, Brennan said, he was called by school officials who said they had two representatives from Georgia International Life Insurance company in their offices "who wanted to talk to me."

The Georgia firm, Brennan explained, had "reinsured California Life, who, the agents said, was not set up properly to handle the claims." Georgia International was taking over the processing of the claims, Brennan said he was told.

The speaker said he spent part of that afternoon taking the two Georgia agents

around Medford to visit the various doctors who had treated injured Medford students, but who had never been paid for their services by California Life.

During the next month, Brennan said, the Georgia firm paid off about \$6,000 in claims by Medford residents. But then suddenly the payment of claims stopped. A long-distance telephone call to officials of Georgia International revealed that payments had been stopped because they had been advised by California Life that the contract was "illegal" claiming the contracting agent had made several unauthorized modifications in the policy.

Brennan said he collected a file of all material on the matter, including newspaper clippings, and went to Salem to discuss the matter with Oregon Insurance Commissioner Walter G. Korlann, Branchfield and Zorn.

The speaker said he also talked that day with Glen McCarty, representative of National Scholastic Agency, who assured Brennan that California Life "would honor the claims," but counseled patience pending the outcome of a "friendly suit" which the firm was instituting against David Douglas High school in Portland over a similar situation.

On June 12, the matter still having been unresolved, Brennan accompanied Branchfield, Becken and Lee Ragsdale, physical education di-

rector at Medford High, to Oakland, Calif., to talk with officers of California Life.

Brennan said the delegation was advised during the conversation with Stolpel, general counsel for the firm, that California Life would not pay the claims and was prepared to fight the case all the way to the U.S. Supreme Court if necessary.

Later that day, the Medford delegation talked with a deputy in the Insurance Commission office in San Francisco, who asked Branchfield to put all the pertinent information in the case in letter form so that his office could study the situation.

Medford School Superintendent Dr. Leonard B. Mayfield, who was at the Roundtable luncheon, stated at the end of Brennan's talk that up to this year the firm had paid promptly on claims against it. "Coos Bay has carried its policy with the firm for years," Mayfield said, "and had never had any trouble."

The superintendent stressed that public tax money was not used to pay the premium on the policy, but rather it was paid with funds from parents of students covered by the policy.

As of last week, Brennan said, the Oregon Insurance Department had asked Medford school officials to withhold legal action against California Life until after the David Douglas suit is decided.

## Hoffa To Ponder Driver Pay Hike

Washington—Teamsters' president James R. Hoffa said Monday he would weigh tax angles carefully before presenting wage demands to trucking firms this fall because union drivers are moving into higher tax brackets.

Hoffa said in an interview that he might await congressional action on President Kennedy's tax cut proposals before deciding how much of a pay increase to seek at the opening of negotiations in October.

If taxes are lowered, he indicated he might seek more pay and fewer fringe benefits in forthcoming bargaining.

The head of the nation's largest union said a nationwide minimum for truck drivers of \$3.03 an hour has now been established. Many road drivers could earn \$200 by working longer than 40 hours. Overtime is common in the trucking industry.

## Local Cadet Completes Phase of Program

Provo—Cadet Howard E. Lantz of Medford has completed the first year curriculum in Air Science of a four year program at Brigham Young university, Provo, Utah.

Lantz has been accepted in the sophomore phase of air science and upon completion of this second phase will be eligible for acceptance in the advanced AFROTC program.



**WAREHOUSE IN FLAMES**—Billowing smoke encircles tall buildings as firemen battle a fire in warehouse on the south bank of the Chicago river in downtown Chicago. Fire boats and snorkel devices were called into action and firemen were able to confine the fire to the warehouse. Traffic on busy Michigan ave. was suspended due to the heavy smoke which settled over the city. (UPI)

## IKE FLIES AT LAST

Kansas City, Mo.—(UPI)—A bird that has not flown for 14 years is traveling at last—on a transatlantic trip. The bird, a cardinal named Ike, has only one wing. Miss Margaret Herkrath, a local hospital worker who found the wounded bird 14 years ago and has cared for him since, decided to retire in Cologne, Germany. She obtained a special permit from the U.S. Fish and Wildlife Service to get Ike out of the country.

## Dennis the Menace



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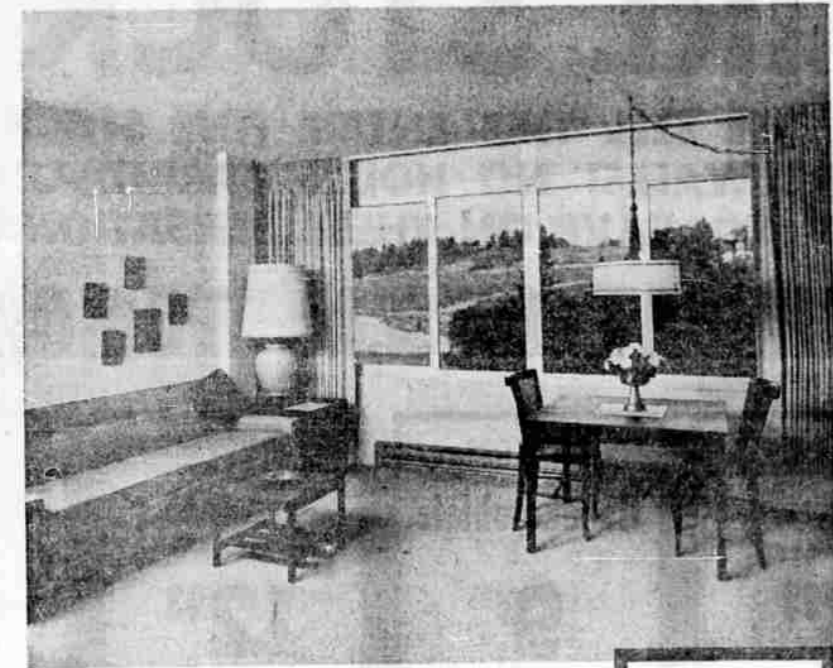
At that point, Brennan displayed a photostatic copy of the original insurance contract. Pointing to ink lines drawn across two of the pages of the policy, Brennan said they represented where certain endorsements had been cut from the policy and the pieces had been taped back together.

This is standard operating procedure in the insurance business, the speaker said, in order to hold down printing costs. But it is precisely this, he said, which California Life insists "constitutes a 'forever' of their contract."

Brennan explained that a standard contract form is frequently changed or altered by an agent to "tailor" it to the particular needs of an individual school.

California Life contends, Brennan said, that an agent does not have the right to alter the contract in such a manner, but the speaker pointed out that the endorsements carried the facsimile signatures of the secretary and general counsel and the president of the company.

"In each case, the National



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## Recreation Program Under Way in City

The Medford park and recreation department's summer program is now under way, featuring a broad variety of activities again this year, according to a department spokesman.

Activities include games and sports, arts and crafts, music and drama, nature lore and a number of special events.

The program is being conducted simultaneously at five city schools and at Hawthorne park. Recreation leaders include Mickey Noble, Jackson school; Mary Ann Robinson, Jefferson school; Sue Brennan, Hawthorne park; Janet Pfaff, Howard school; Peggy Kieth, Washington school; and Jerilyn Smith, Wilson school.

The program with its various activities is designed specifically for youngsters between 6 and 12, but younger children may enroll if they are accompanied by an older brother or sister.

Activities are conducted Monday through Thursday from 9 a.m. to 4 p.m. at each of the various locations. Specific information about classes or activities may be obtained by calling the department office in Medford city hall.

## Counsel Committee Budget Approved

Salem—(UPI)—The Legislative Counsel Committee has approved a \$228,829 budget for its staff for the 1963-65 biennium.

The legislature appropriated \$235,000, but the committee decided to leave some staff positions vacant temporarily.

Committee Chairman Rep. C. F. Hoyt (R-Corvallis) said if the legislative counsel's staff needed additional help in the future, additional funds could be provided at that time.

The committee reaffirmed its policy of not furnishing any staff members to legislative interim committees for use as executive secretaries.

In addition to the approved budget, the committee was given \$2,000 by the legislature for law revision work during the biennium.

## Court Records

**CIRCUIT COURT**  
Fanny Vincent vs. Roy Vincent, divorce complaint.

**MARRIAGE LICENSE APPLICATIONS**  
Dennis Vinton Keys, 4860 Hope dr., Central Point, 400; Patricia Louise Gosman, 439 Gibson rd., Central Point.  
Lloyd Arden Durham, 381 Savage Creek rd., Gratz Pass, and LaMora Ann Gurnee, 1416 Whitman st., Medford.  
Floyd Elmer Gilbert, 439 Chestnut st., Ashland; and Marcia Sue Barrett, Seattle, Wash.



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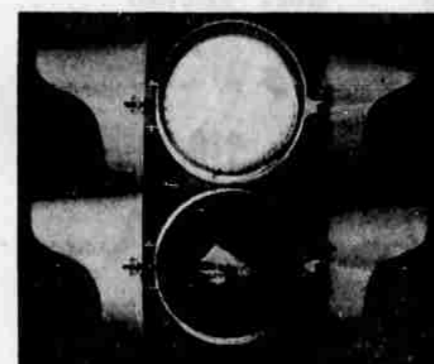
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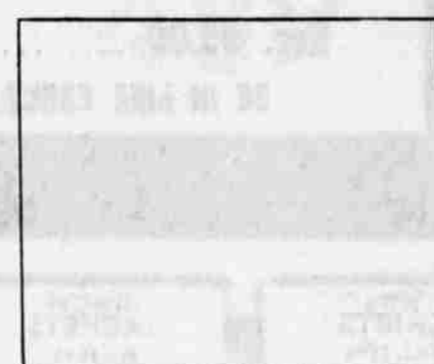
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