

DATA BANK
Stuff you should know

OVERHEARD

“
Today, we see that we are just as helpless when faced with nuclear disaster as we were 25 and 32 years ago.”

”
U.S. Rep. Edward Markey, referring to the Chernobyl and Three Mile Island incidents

FUNNY BUSINESS

You know the royal wedding craze has permeated pop culture here in the United States when it makes its way into your local Dunkin' Donuts shop. The Canton-based chain plans to sell Royal Wedding Donuts – heart-shaped treats filled with jelly and topped with white frosting – during the last week of April. The chocolate drizzle is supposed to be a nod to Prince William's love of chocolate. But then, who doesn't love chocolate?

Not to be outdone, sister company Baskin-Robbins has come up with its own way to honor the upcoming wedding of William and Kate. Franchisees are starting this week to offer a \$30 “Royal Wedding Ice Cream Cake” reminiscent of an English garden, with 30 white and blue English roses on top. The cakes still will be available after the wedding takes place on April 29, and a Dunkin' Brands spokesman says they'll be particularly appropriate for a Mother's Day treat.



I'm not quite sure how to explain this fascination in the U.S. with the royal family in the U.K. Maybe we all need just a little bit of an escapist approach to thinking about government to keep from getting too bummed out about the current state of affairs. After all, no one wants to buy a Government Shutdown Donut or an ice cream cake inspired by Medicare reform.

— MASSMARKETBLOG.COM

FIGURATIVELY SPEAKING

50 Estimated percentage of all Americans who have worked in the restaurant industry at some point in their lives, according to the National Restaurant Association

25 Percentage of adults who had their first job experience in a restaurant

80 Percentage of restaurant managers who got their start as front-line employees



66 Percentage of new-car shoppers who indicate that they plan to finance some or all of the cost of their next vehicle purchase, according to Kelley Blue Book

34 Percentage of shoppers who say they plan to pay the entire cost of their next vehicle in cash

41 Percentage of single Americans who say they used Facebook to check out a date's information and photos, according to Zagat



— JOHN MACINTYRE



REGIONAL ROUNDUP



MERGED NSTAR, NORTHEAST WILL SHED 350 JOBS

NStar and Northeast Utilities would cut 350 jobs over five years after their proposed merger is completed, but they are pledging to avoid broad-based layoffs. The cuts will occur through attrition and normal retirements, primarily in administrative areas and not customer-facing jobs or in operations, the companies said. The company would have two main corporate offices – in Boston and in Hartford – but would save on costs by having only one board of trustees, one auditing firm and fewer insurance carriers. The companies say the merger could save New England utility customers as much as \$780 million over 10 years.

TRIPADVISOR TO BECOME PUBLICLY-TRADED COMPANY

Newton-based TripAdvisor Media Group is getting ready to fly solo. Bellevue, Wash.-based parent company Expedia Inc. unveiled plans to spin off the TripAdvisor group into a new publicly-traded company. TripAdvisor has 985 employees worldwide, including about 400 in the Boston area. The TripAdvisor group generated \$486 million in revenue last year. The spin-off, expected to occur by this fall, must be approved by Expedia shareholders.

COASTAL ANGLER MAGAZINE TO DEBUT IN BOSTON

Regan Communications Group of Boston is launching a Boston edition of Coastal Angler Magazine. The inaugural Boston issue, published this month, will have a readership of about 25,000, and Legal Sea Foods CEO Roger Berkowitz is featured on the cover. Alan Eisner, president of Regan Communications, will be editor-in-chief of the magazine.

WAGE, HOUR VIOLATIONS MAY COST OFFICERS \$226,000

Two top officials at steel erection firm DFM Industries in Wrentham face more than \$226,000 in citations for allegedly violating the state's wage and hour laws. Attorney General Martha Coakley's office said Glen Pisani, 39, of Wrentham, and Dana Pisani, 36, of Norfolk, are required to pay more than \$160,000 in restitution and fines of \$66,500 to the state for failing to properly pay employees for overtime as well as regular hours worked in part of March on several construction projects.

OMNIFY SOFTWARE MOVES TO LARGER TEWKSBURY SITE

Omnify Software moved on March 30 from Andover to a larger location in the Highwood Office Park in Tewksbury. The supplier of software for manufacturers leased 9,600 square feet for its new headquarters, where about 30 people work. Omnify expects to add sales and engineering jobs in the future.

— PATRIOT LEDGER STAFF

Ripple effects seen on car sales

CARS/FROM PAGE 21

lost production of approximately 300,000 vehicles since the quake.

Toyota, the world's largest car manufacturer, has been hit the hardest. Production has declined in Japan by 200,000 vehicles as 16 of 18 of its plants in that country were knocked off-line, including those that manufacture the popular Prius hybrid.

“(Toyota) told us about the Prius being the potential problem in the next few months,” said John Sullivan, owner of Sullivan Brothers Auto Mall in Kingston.

Periodic power outages, shortage of parts and damage to road systems have disrupted the intricate automotive supply chain. The crisis also has exposed a weakness in the acclaimed “just-in-time” supply chain method pioneered by Toyota in the 1990s and subsequently adopted widely throughout the industry.

The technique minimizes the length of time parts spend in warehouses and uses a small number of suppliers, but is vulnerable in a major catastrophe because of the minimal back-up options.

“The Japanese automakers pioneered it, and it spread to the rest of the industry,” Planet Subaru's Morrill said. “You can't design your supply chain to anticipate this kind of event.”

Daniel Quirk, owner of Braintree-based Quirk Automotive Group, predicted that most Japanese models will be in short supply this summer. Quirk, who uses the former Fore River Shipyard in Quincy



GARY HIGGINS/THE PATRIOT LEDGER

Planet Subaru owner Jeff Morrill checks out inventory at his Hanover dealership. Morrill is concerned about possible supply disruptions caused by Japan's recent disaster.

for storage, has 700 Mazdas in stock, which should last for four to six months.

While Japanese automakers are expected to feel the brunt of the crisis, shortages of parts from Japan have disrupted manufacturing at U.S. auto plants.

In the last two weeks, Ford and General Motors have shut down truck plants in the U.S. because of a shortage of Japanese parts, while Honda scaled back production at factories in Ohio that make the Accord, CR-V and Acura TL.

Japanese models manufactured in the U.S. also have been affected. Subaru reduced shifts at its Lafayette, Ind. plant this week because of a parts shortage.

Toyota has warned dealers of potential downturns in deliveries in May, particularly for the Prius hybrid, Sullivan said.

“That, in combination with rising gas prices, is going to make that car a very hot commodity,” Sullivan said.

Charles Tufankjian, owner of Toyota of Braintree, said the dealership has close to 1,000 new cars and hasn't had any trouble getting more so far.

“We are still getting allocated cars that are in the pipeline,” he said. “Maybe we might feel a pinch in June, but right now as we speak, we have no problem.”

Prices of late-model economy cars have already risen as gasoline prices have jumped by more than a \$1 a gallon in the

past year. Delays in new car deliveries would accelerate that trend.

Prices of year-old Subaru Foresters and Imprezas have risen \$1,000 to \$2,000 at auto auctions in recent weeks, Morrill said.

Caldwell, the Edmunds.com analyst, said used car prices are due to climb even more if gas prices don't decline.

“Whenever there's a gas crunch, people start to think about what they drive,” she said. “You'll see some changes in the used car prices, particularly for the cheap and efficient models. Consumers shouldn't assume that used car prices are always the better bet.”

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Same players lead auto insurance market

MASS. MARKET/FROM PAGE 21

commissioner set a series of insurance rates every year that were largely similar across all insurers. There wasn't room for much variety or price-based competition. As Murphy likes to say, you could have any color you wanted – as long as it was black.

That changed three years ago. Consumers, if they wanted, could find a suddenly dizzying array of options. New discounts for having another policy with the same insurer, or for a good student at home. Forgiveness of your first accident so it doesn't affect your rates. More pricing tiers based on coverage amounts, deductibles and driving history.

You would think with all those changes, so-called “managed competition” would have caused overall costs to drop, right?

Well, prices did go down, at least initially. Gov. Deval Patrick's administration has taken credit for the rate drops we enjoyed. But rates were trending downward at that time anyway, and there's no way to know for sure now whether they would have fallen at a faster pace if the Patrick administration hadn't turned the market upside down.

In fact, insurance probably became more expensive for many of the state's highest-risk drivers. Fortunately for them, Burnes put rate caps in place that prevented a significant jump in rates in any single year.

That said, you shouldn't get too comfortable – even if you never have dented your car or been handed a single speeding ticket. Frank Mancini, president of the Massachu-

setts Association of Insurance Agents, says rates are trending upward again – here, and across the country. Most of the insurers that sell policies in Massachusetts have asked for rate increases for 2011.

Mancini cites one of the drawbacks to the new system: a trend among insurers to offer policies in six-month increments instead of year-long policies.

Progressive ran into some trouble with the attorney general's office when it arrived on the scene and offered confusing comparisons of six-month rates to its competitors' 12-month prices. Progressive has since improved its marketing tactics, but plenty of other companies are now offering these six-month policies, too (albeit without the deceptive comparisons).

It would be great if the insurers offered a price decrease after six months, but that rarely happens. Instead, many consumers find their rates unexpectedly going up after only six months.

Some consumer advocates, such as Deirdre Cummings of MassPIRG, were worried that insurers would use new rating factors to get around bans against using a motorist's socioeconomic background for pricing or underwriting decisions. She says there's some evidence that's happening, but it's hard to know the extent. In general, Cummings says a consumer's actual driving record plays less of a role in what they'll pay for insurance today than it did three years ago, and household income is a bigger factor. For firmly entrenched insurers such as

Quincy-based Arbella, it's been challenging to adapt to the new landscape. CEO John Donohue says the company fought back with increased advertising, primarily on the radio at first. This year, Donohue's company is expanding its cable TV and Internet presence as well. Donohue says Arbella also responded to the competition by crafting new pricing levels and discount opportunities. He says he's proud of Arbella's response to the new pressures: Its Massachusetts market share has only taken a minimal hit – dropping from 9.4 percent to 9 percent – in the past three years.

Donohue says all the new choices make it more important than ever to work with an agent. Insurance, he says, is not something that consumers should shop for with their laptops.

Shopping around – with an agent or a computer – may get less enjoyable now that rates are rising again. Pricier policies could create a new incentive for reluctant drivers to finally start checking out the competition. But the industry trend could also simply make it tougher for insurance companies to offer enticements that will persuade people to make the switch. Insurers, it turns out, can be a hard habit to break.

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