

# Owner discusses plans for Mexican grill

BY RYAN C. TUCK  
CITY EDITOR

The building at the corner of Franklin and Columbia streets has housed Spanish tapas and Italian food but hasn't found a permanent tenant.

Starting as early as December, it will give a Mexican grill a try.

Joe Numberger, operating partner of Sez-Tec LLC in North Carolina, said Tuesday that he will start remodeling 100 W. Franklin St. for the new Qdoba Mexican Grill next week.

Billed as a fast, casual restaurant, Qdoba will offer Southwest-style Mexican food.

Numberger, who owns 12 other Qdoba restaurants throughout the state, announced earlier this summer that the Charlotte-based com-

pany would open its first Chapel Hill location in the building across Columbia Street from Spanky's.

"We've been looking into getting into a major college campus somewhere for a while," Numberger said. "We saw that corner space was available, and to us, it's like being on Main and Main Street."

Despite the property's high visibility and proximity to bus stops, more than three businesses have opened and closed in the location in the last five years.

Valentino's, Timi's Tapas and Spirits and Sunny Corner Bar all closed as a result of fiscal constraints.

Numberger said the Chapel Hill property will be the most expensive of any of his locations in the state.

Because the building was built in 1922 and lacks sufficient air

conditioning, Numberger said that cost is even more significant. But he said the benefits from being a part of a renowned business area will outweigh the costs.

"Unless you're living under a rock, you've heard of Chapel Hill," he said. "Business owners know about Chapel Hill all across the country."

Numberger said the location also offers his business unprecedented access to his target audience.

"There aren't normal business hours — there's not a lunch hour," he said. "We see revenue happening until 3 in the morning."

Numberger said he has studied a Qdoba location in Madison, Wis., where the University of Wisconsin is located, to get an idea of what is different in a college market.

"It's not a very spread-out mar-

ket," he said. "We're honed in on who we want here."

Developer Joe Riddle — who owns the property of the former Gap, diagonal to where Qdoba will be — said he thinks Qdoba will do well but isn't what the area needs.

"It's just another restaurant," Riddle said. "Downtown is all T-shirt shops and restaurants now."

Numberger said he will demolish the interior of the store and have to make several renovations to the building before it can open.

But he said he hopes he can open for business as soon as possible.

"I start paying rent next month," Numberger said. "We want to get it open more than anybody."

Contact the City Editor at [citydesk@unc.edu](mailto:citydesk@unc.edu).

## ANALYSIS

# Economy sways insurance costs

BY INDIA AUTRY  
STAFF WRITER

The rising cost of medical malpractice insurance premiums has become ammunition for partisan debate, and a recent study by two Dartmouth College professors sides with the Democrats.

The study shows that the rising costs during the last few years are more a product of the lagging economy than of an increase in money awarded in malpractice lawsuits.

Just as individuals buy insurance to lessen costs in the event of property damage, doctors pay a premium to avoid bearing the weight of mistakes on the job.

In the last few years, doctors — especially those in high-risk fields — have been forced to slap more cash on the table to insure themselves.

This has contributed to the exodus of a substantial number of practitioners, and many fear that some people soon will be without access to medical care. The American Medical Association has declared North Carolina one of 20 crisis states.

Republicans tend to blame expensive premiums on the rise of the amount of money that juries award to plaintiffs of malpractice lawsuits.

Richard Burr, North Carolina's Republican candidate for the U.S. Senate, proposed an award limit of \$250,000 for pain-and-suffering damages in malpractice cases. Economic damages would be paid dollar for dollar.

Many Republicans say Democrats object to such caps because they are funded by the trial lawyers who profit from big jury awards.

Burr's opponent, Erskine Bowles, is financially supported by doctors as well as lawyers, said Bowles spokesman Carlos Monje. But he said Bowles would only back caps on pain-and-suffering awards if they made exceptions for cases of gross negligence or intentional misconduct.

Other Democrats, like vice presidential candidate Sen. John Edwards, want to reform the insurance companies and outlaw their ability to charge exorbitant

amounts to make up for lost investments, said Ron Eckstein, N.C. communications director for the Kerry-Edwards campaign.

Both Bowles and Edwards, who was a trial lawyer before entering the Senate in 1998, have plans for keeping illegitimate lawsuits out of the courtroom.

The hike in jury awards has not been proportional to the rise in premium costs, said Katherine Baicker, a professor in Dartmouth College's economics department and an author of the study.

"While increasing payouts for lawsuits have affected malpractice insurance, it can't explain most of the increase in premium costs," she said.

Premium costs only rise 25 cents for every dollar of jury awards that insurance companies owe, Baicker said.

She said media hype on higher jury awards has eclipsed the real cause of the problem. "It's the focal point when it's not representative of what's going on."

The more likely culprit is a decrease in the amount of money insurance companies are making from investing the premiums they receive, Baicker said. "It's not at all clear that caps would do anything to premium costs."

Baicker said insurance companies look to potential returns on investments to determine the charge for premiums — the lower the yield from investments, the more they have to get from premiums.

Stanley Black, a professor in UNC's economics department, said it's common knowledge that the state of investment returns depends on the economy. The U.S. economy went into a recession a few years ago — about the same time premium costs started to rise dramatically — and hasn't gotten far on the road to recovery.

AMA Public Information Officer Robert Mills said only 20 percent of insurance companies' investments can be in the volatile stock market. But Baicker said other investment spots can be sensitive to shifts in the economy as well.

The AMA refutes the assertion that investment returns cause the brunt of the damage, said spokesman Daniel Koen.

He said that premium costs have risen more than the amount of money paid out for lawsuits has because companies are stocking up for future costs. The absence of caps make the potential payout amount practically unlimited.

Contact the State & National Editor at [stntdesk@unc.edu](mailto:stntdesk@unc.edu).

# Local business appears on cover of Fortune

BY RYAN C. TUCK  
CITY EDITOR

Playboy is not the only national magazine on newsstands that features a piece of Chapel Hill.

Fortune magazine has listed Chapel Hill-based Investors Title Insurance Co. in its Sept. 6 issue as one of America's 100 Fastest Growing Companies.

J. Allen Fine, chairman and

CEO of Investors Title, said the group was named the 95th fastest-growing company in the nation based on its growth in the last four quarters.

Investors Title, a title insurance company Fine started in Chapel Hill in 1972, reported a revenue growth of \$87.4 million in the past four quarters.

"We're very excited," said Fine,

who graduated from UNC in 1961. "It's a testament to our good people."

Fine said representatives from Fortune called him last week and sent advanced copies of the article.

"It's a real honor," he said.

Fine said he opened his business in Chapel Hill because the town had a strong business environment

with a good support system.

The company, which provides a corporate guarantee for real-estate titles, has offices statewide, as well as in 24 states and the District of Columbia.

It has operated out of its current downtown location at the corner of Columbia and Rosemary streets for more than a decade, Fine said.

"I love being downtown and working here," Fine said.

Fine is also a member of the newly formed Downtown Economic Development Corporation and said his company represents a unique addition to the business environment downtown.

He said the organization writes about 25 percent of insurance titles in Chapel Hill and statewide.

"We bring a lot of customers downtown," Fine said.

"We try to do all the work we can in Chapel Hill."

For its feature, Fortune looked at U.S. companies with a minimum market cap of \$50 million.

Investors Title employs more than 220 people in 28 offices statewide and is traded on the NASDAQ national market.

But Fine said Chapel Hill has always been the focus of his business.

"I could have opened a business anywhere," he said. "I love Chapel Hill."

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