

SID MITTRA, PH.D.

First-to-die insurance for 90's families

Editor's note: This is the sixth article in a nine part series on risk management. Next week's column will discuss variable survivorship life

ofore the surge of two-income families, the insurance industry targeted husbands. Their widows would need funds for the mortgage and children's the loss of income of either parent.

Instead of a husband and wife buying separate policies naming each other as beneficiary, "first-to-die" coverage may be a less costly option.

One policy covers both; if either dies, the other collects the proceeds from the insurance company.

Two for one

Two for one
The idea works best when each spouse's income is equally vital to maintain the family's lifestyle. First-to-die insurance typically saves 10 percent to 25 percent of the cost of separate policies, because premiums are based on a hypothetical 'joint equal age.'

For instance, as revealed by the boxed insert, one insurance company charges a 55-year-old husband \$17,974 a year for his own \$1 million whole-life contract.

A similar policy for his wife, age 50, costs roughly \$11,000. But one first-to-die policy costs \$24,161, a 17 percent savings. Another insurer will sell two 35-year-olds a \$200,000 policy for \$2555 monthly, versus \$341 for separate policies. First-to-die policies are especially attractive for entrepreneurs.

Not surprisingly, start-up businesses, and even those that have been around for a number of years, focus on business plan, cash-flow fore-asting and other issues that require day-to-day attention.

Deciding how to fund a buy/sell agreement in the event of a partner's death either doesn't come up or is deferred.

First-to-die policies and riders, however, are an excellent means of dealing with this eventuality, with some policies providing coverage for up to six lives.

Invaluable riders



Invaluable riders

First-to-die policies and riders also have other uses. For example, what happens to a husband's or wife's ability to make the monthy mortgage payment if the other dies? Credit insurance 1074 Verlable
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Not for everyone

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ISINESS & FINAN

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County helping businesses go global



Up and running: Oakland County government trade specialists Sara Coulter, left, Richard Corson and Therese Thill talk with commercial specialists in Paris last week during a trial run on the county's new videoconferencing equipment.



Oakland County is helping local businesses reach foreign markets with videoconferencing technology that will be unveiled

BY ROB SNELL SPECIAL WRITER

Keith Rhodes loathed Europe. A translator-loss foray into the international business world had reduced his polished sales pitch to a losing game of Pictionary with a unilingual Belgium recoptionist. No sale.

Rhodes. 40, president of Highland-based Magnetic Products Inc., is planning to return, though, thanks to a videoconferencing project started by Oakland County officials.

started by Canadionicials.

The project is the first government-facilitated arrangement in the country to link businesses with the international market via a computermented camera.

"We've a look-

mounted camera.

"We've been looking for three years to enter the European and Mexican markets and with video capabilities we hope it's going to break the communication gaps," said Rogers, who fled with a pocketful of receips and unsigned contracts. "I don't expect it to replace a personal visit, but it should take us to the point where we want to make one."

Officials with Oakland Country – which leads the state in exporting with 44 foreign firms from 20 countries – capped a nine-month study of ways to open doors to expanded trade opportunities for small and mid-size businesses.



Tools: Network special ist Jere Shockey holds the Picturetel camera that allows local busi-ness to hold conference calls overseas.

Teamed with the U.S. Department of Commerce and Ameritech's contribution of \$15,000 in desktop video units, the project is expected to make business more efficient and convenient for exporters.

"We're doing business government should be doing, and then getting out of the way, said Deputy County Executive Ken Rogers, who left his real cetate development company in 1993 to join County Executive L. Brooks Patterson's stoff.

"This really opens doors for the business community to enter the worldwide market." As we open avenues for businesses, exporters will find new markets."

Rhodes participated in Wednesday's demonstration, and sealed a faux deal with

See VIDEO, 1)2

Kmart sales slightly down for September

Troy-based Kmart Corporation reported, on a comparable store basis, consolidated sales decreased 0.8 percent for the five week period ended Oct. 2. September sales in U.S. Kmart stores decreased 0.2 percent on a comparable store basis over the same period.

Total sales for the month from consolidated operations were \$2.248 billion, a decrease of 2.2 percent versus sales of \$3.014 billion for the same period last year.

period last year.
Sales from consolidated operations for the 35 weeks ended Oct. 2 were \$21,303 billion, down 0.5 percent from \$21,420 billion for the first 35 weeks of 1995. On a comparable store basis, U.S. Kmart stores rose 2.3 percent for the

U.S. Kmart stores rose 2.5 percent of the same period.

"Kmart's sales performance remains below plan," said Floyd Hall, chairman, president, and CEO. "Although overall sales gains did not appear, we saw strength throughout the month in electronics and photography."

Kmart has 2,144 stores, 168 Builders Square outlets and operates 129 stores internationally.



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The difference is Merrill Lynch.



This column highlights pro-motions, transfers, hirings and other key personnel moves within the Oakland County business community. Sond a brief biographical summary brief biographical summary including the towns of residency and employment and a photo, if dasired, to: Business Milestones, c/o Business Editor, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009, Our fax number is (810) 644-1314.



Michael Collins of Troy was named managing director of BDO Seidman in Detroit. He joined the accounting and consulting firm in 1983.

David Stiebel of Trey was named human resources direc-

BUSINESS MILESTONES

tor at Cadillac Plastic, Troy. He has 15 years of experience in



Robert McEwen of Birmingham, general manager of Shandwick USA's Detroit selected as a member of Lead-

member of LeadmeEwen criship Detroit
XVIII.
Mary Ann Mills director
of economic development, will
join Onkland University's
School of Education and Human Resources in Rochester

Julio Wondt of West Bloom-field joined Bloomfield Hills-based The Berlino Group Inc. as senior production arist. She will be responsible for assisting the art director with the layout and execution of all the agen-cy's print and broadcast cam-paigns.

Hills as chairwoman of of the school's 10-member resource and development board.

Michael Bozi-mowski of Troy was named a new partner at new partner at the Detroit office

the Detroit ones of Coopers & Lybrand, a pro-fessional ser-vices firm. He formerly was multistate tax

multistate tax eter for the firm. services dire

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