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MORE THAN MONEY

SID MITTRA, PH.D.

Insurance has many options

Editor's note: This is the second article in a four-part series on life insurance planning

Last week term and whole life insurance was discussed. This week we will survey universal life and variable universal life.

Universal life

Universal Life is characterized by flexible premiums. The insured may pay premiums at any level in any year subject to the minimum and maximum premiums specified by the contract and law.

The company reserves the right to change the components of the policy subject to the guaranteed maximums specified in the contract. Contractual guarantees consist of a minimum interest rate and a maximum cost of insurance charge.

However, most illustrations show current cost of insurance charges which may vary widely from guaranteed costs. Typically, the guaranteed maximums are higher than the whole life premium.

The advantage to this type of coverage is that premiums may be structured to a very precise level. The drawback is that the premium and/or death benefit levels can vary widely depending upon the company's performance.

Variable universal life

These products have the same basic structure as the whole life and universal life products, with the exception that cash values or account values are made up of separate accounts managed by fund managers.

These separate accounts typically are invested in growth or stock market-oriented investments.

People buying variable universal life policies believe that these products will outperform fixed product returns from whole life or universal life.

However, the higher return potential includes market risk associated with negative investment performance. This risk is assumed by the policyholder and may affect the policy benefits.

Also, this product structure has higher costs in fund management and other fees.

This product works particularly well for people interested in maximizing the growth of the account values and minimizing the insurance death

Please see MITTRA, C3

Sid Mittra, Ph.D., CFP, is professor emeritus of finance, at Oakland University, and owner of Mittra & Associates, a Rochester Hills financial consulting firm. This column was critically reviewed by Professor Jerold Grossman of OU. You can e-mail questions or comments to Sid Mittra at smittra@oeonline.com.

Cristiano firm into hi-tech service for kids

Cristiano

A longtime figure in Southfield city government, Peter Cristiano has switched his focus to new media, specifically, to a place on the Web specializing in children's reading.

BY VIVIAN DEGAIN
STAFF WRITER

Former Southfield City Administrator and councilman Peter Cristiano has ventured *into several successful businesses* since he left public office in 1989, but recently, he's merging the fields of technology and children's learning and entertainment in order to help families and educators around the world locate information and resources.

"I've always had a lifelong love of books, reading and libraries," Cristiano said, and to enhance his reading connection, he's tuned into the Internet.

For instance, having read Unto Thy Sons by Gay Talese, a historical novel about Italy, Cristiano is using the Internet to brush up his Italian and research his own Italian family heritage.

"The Internet offers us possibilities we couldn't have even imagined a few years ago. It's fantastic," he said.

Cristiano's company of five years, Lifesoft Corporation, and its new subsidiary, Kidsmart, was developed with parents, educators and children, with a goal to provide education and entertainment for families, home educators, and school teachers preschool through high school.

Ted Lipman, Kidsmart vice president of sales and marketing, said they created the web page **www.kidsmart.com** with the help of independent publish-

Please see KIDSMART, C4

Old gals' club

Women in auto business unite to improve position

BY NICOLE STAFFORD
STAFF WRITER

Networking in the automotive industry isn't confined to the old boys' club anymore.

Local women in the field now have their own official web of connections, contacts and supporters – the International Women's Automotive Association (IWAA.)

The non-profit group, headquartered at Northwood University in Troy, was set up to improve networking and educational opportunities for women in the automotive business, said Lorraine Schultz, IWAA founder and president.

"We need to provide support for each other. I think women can help each other more, than by depending on the old boys' network," Schultz said.

At the group's second annual Round Table Dinner event, slated for 5:30 p.m., Oct. 28 at the Dearborn Inn, three panels will offer information about product quality, customer relations and technology issues.

With eight chapters in the nation and a Toronto chapter slated to open next January, IWAA holds four meetings, including a motivational forum and a networking event, each year.

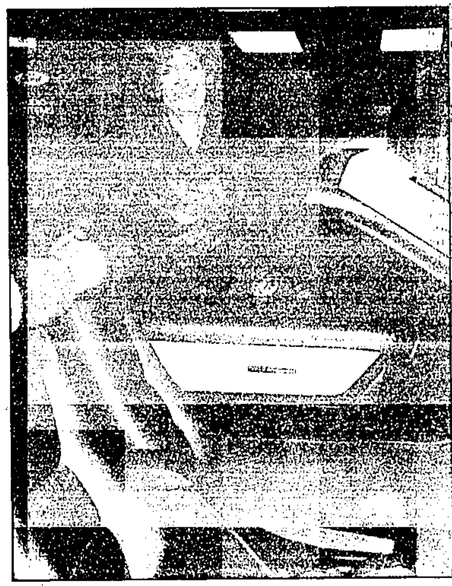
Although some attendees might find that some of the information presented at the upcoming Round Table event aren't directly related to their everyday job responsibilities, Schultz believes such discussions eventually come into focus in the workplace.

"I think that anyone who attends this event will come out quite a bit

Please see IWAA, C3

■ **"We need to provide support for each other. I think women can help each other more, than by depending on the old boys' network."**

Lorraine Schultz
IWAA founder



Founder: *Lorraine Schultz wants women to network to improve their access to the auto industry.*

Bank of Bloomfield Hills now in Rochester

The Bank of Bloomfield Hills (BBH) has expanded into Rochester, Regional President J. Philip Lowman announced last week with the opening of the Rochester Banking Office, located on Main Street in downtown Rochester.

The Main Street office will serve as a temporary space until a permanent office has been finalized.

"We are so excited to reach out to this market," Cowman said. "We didn't want to wait until we found the perfect space – we just wanted to get to work."

Lowman said he sees a banking service gap in the Rochester area that the Rochester Banking Office plans to fill that gap with good service and personal banking relationships.

"We work from the old school of banking," Lowman said. "You know your banker by name and they treat you like a first-class client all the time."

The Rochester Banking Office will exemplify BBH, which operates as a private bank, the only one of its kind in southeast Michigan.

The Bank of Bloomfield Hills has been in existence since 1989 and caters to clients that often require a high level of personal service and attention to meet their financial needs.

BBH provides investment management, lending, residential mortgages, commercial real estate, transaction accounts, financing packaging and corporate mergers and acquisition counseling.

Conference shows how to have fun in workplace

You can learn how to lighten up at work at an Oakland University mini conference, Humor in the Workplace, Nov. 8.

Charlaine Ezell, a regionally known speaker on leadership and communication will preside over a few hours of interaction, activities for practical application and semi-serious networking.

The program, sponsored by the School of Education and Human Services' Alumni Affiliate, is ideal for teachers, counselors, human resources staff, administrators, trainers and those in related careers.

The seminar will run from 10 a.m. to 2 p.m. at the university's Oakland Center. Registration is $5.

Call (248) 370-2158 for more information or to register.

Franklin Bank profits top $1 million a third time

■ BANKING

Southfield-based Franklin Bank reported record high earnings for the third quarter ended Sept. 30, 1997 of $1,062,333 – or, $0.31 per share.

"We have produced net income over $1 million for each quarter thus far in 1997," President and CEO Read P. Dunn said.

The bank's performance improved over the same quarter last year when Franklin reported a net loss of $582,298, primarily due to the one time SAIF insurance fund recapitalization charge taken in the third quarter 1996. Without the one time charge, Franklin's third quarter earnings in 1996 would have been $961,998.

"We have concentrated primarily on four banking fundamentals: net interest income, core banking fee income, reducing levels of nonperforming assets and controlling operating expenses," Dunn said. "To date, most of the progress impacting earnings has been attained from the first two areas."

Net interest margin was 5.64 percent for the quarter compared to 4.84 percent for the comparable third quarter in 1996 and 5.46 percent for the trailing June 30, 1997 quarter. According to the most recently published information June 30 by SNL Securities in "The SNL Quarterly Bank Digest," the national average net interest margin was 4.01 percent and the aggregate for Michigan banks was 4.55 percent.

Franklin's net interest margin continues to benefit from several factors, the most important of which is the increasing level of zero interest cost business demand accounts and reduced interest expenses. For the quarter ended September 30, 1997, Franklin's cost of deposits was 3.22 percent, down

Please see FRANKLIN, C2

BUSINESS MILESTONES

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

Bennett

Lee Bennett of Troy was elected vice president of the New Jersey-based Institute of Management Accountants for 1997-98, which involves serving as a member of its policy making board of directors and overseeing the activities of 32 chapters in Michigan and Ohio. Bennett is president of Oakland Industrial Services of Troy.

Sandra Combs Birdlett of Rochester Hills was named director of the Journalism Institute for Minorities at Detroit-based Wayne State University. The Institute is a media and university partnership designed to recruit and train top minority talent in the communications field.

Craig

Steven Craig of Bloomfield Township was named customer service center manager for the Midwest, area for Troy-based Cadillac Plastic. Craig manages safety and quality processes and all operations and sales activities for the ten customer service centers located in the region.

Theodore Diewald of Rochester has been named executive director of the Auto/Steel Partnership – a industry research group dedicated to helping the North American automotive and steel industries achieve better design, material application and manufacturing. He is responsible for the daily management of the partnership, He was previously COO Mayflower Vehicle Systems in Farmington Hills.

Rob Elliott of Wolverine Lake was promoted from director of client services and creative to managing partner of the Detroit office of Bozell Worldwide's multi-products group Elliott leads new business development and oversees marketing aspects for many of the agency's clients.

Ellen Greenberg was appointed head of processing operations of the Southfield branch of Automated Payroll Services, Inc.

Holbach

Peter Holbach of Oxford was named general manager at Rochester Hills-based Webasto Sunroofs, Inc. Holbach directs the company's manufacturing activities. Fred Olson, who is moving to the area, was named vice president. Olson oversees all facets of the company.

Hutcheson

Nancy Hutcheson of Birmingham was appointed corporate vice president, general counsel and secretary of Troy-based The Budd Company. Hutcheson was hired in 1994 as assistant general counsel.

Lowman

J. Philip Lowman of Bloomfield Hills joined the Bank of Bloomfield Hills as regional president. Lowman will head the new office in Rochester.

Alexandra McArthur of Royal Oak and **Timothy Miller** of Farmington joined Bloomfield Hills-based Ross Roy Communications, Inc. As vice president/account supervisor, McArthur oversees activities on Chrysler Financial Corp., lease initiatives, direct mail and other corporate programs. As vice president/database marketing, Miller oversees the development of Chrysler's customer relationship management initiatives on international database development and commercial truck marketing programs.

Carol Wagner of Rochester Hills has been promoted to regional media manager, from media coordinator for deal marketing, at D'Arcy Masius Benton & Bowles in Detroit. In her new position, she will be responsible for developing spot TV, cable and radio buys for Cadillac and Pontiac dealer marketing associations.