

# California psychotherapist treating fear of driving

Los Angeles recently passed up Southfield Road between 10 Mile and 11 Mile as having the worst traffic in the nation. An earlier record had been set by stretches of the Long Island expressway, which lost its standing when traffic stopped completely three years ago and they paved it over to start afresh.

As Los Angeles traffic slows, Los Angeles drivers begin to fidget. Then they begin to notice cracks in expressway overpasses that didn't seem to be there before the last 4.3 quake the night before. Or they start to worry about the guy in the car in the next lane, who looks too much like Clint Eastwood run amok. Segar is bad, and even after voting to ban

charcoal lighter fluid, it seems to be getting worse. For some very good reasons, Californians worry a lot, and recently more than a few have had anxiety attacks that end with someone off on the shoulder, hands still clenched to the wheel, straining into space with his old Beates tape on the third go-around.

The phenomenon is called amaxophobia, or fear of driving, and enough Californians have been affected so that there now is a new brand of psychotherapy that treats auto anxiety with specialized counseling on the freeways. (Honest, I'm not making this up. I read about it in an airline magazine.)

At least one prominent auto psy-



auto talk  
**Dan McCosh**

chotherapist is a former driving instructor who discovered he had become a compulsive workaholic, on the road 16 hours a day. Anyplace else, a good mid-life crisis calls for moving to California, but in California, this kind of thing calls for a period of self-evaluation that includes lots of self-improvement courses in a

therapy think-tank, after which, as a licensed therapist, the guy ends up back behind the wheel, using the front seat as a sort of mobile counseling couch.

IT'S BEEN a risky business, even after he realized he shouldn't start

the sessions by asking his patients to lie down and relax. In fact, he is one of the few auto therapists to actually conduct sessions behind the wheel.

He talks his patients back on the road slowly, emphasizing that the trick is to stay steadily in the present, not worrying about the past or thinking too much about the future. Remember, this is where our presidents come from. This follow-up sessions are real follow-ups, as he tags along in another car to be sure his patients keep on the move.

His technique is results oriented, and in fact he claims roughly three-quarters of his patients eventually get over their phobia well enough to

make it down to the Seven-11. That's a far greater success rate than most therapists, although the incentive is great since in California, if you can't drive, you starve to death.

All of this seems pretty funny until you realize that the state of California has more people driving from one place to another than there are standing still. It's like the truck that can safely carry 10,000 pounds carrying 20,000 pounds of live chickens: The driver has to keep stopping and banging on the side. If too many people in California go catatonic and stop on the expressways, the whole state will collapse, and then where would be?

focus: small business  
**Mary DiPaolo**

## Buying a business? Ask many questions

Readers who have business-related questions or event announcements for this column's monthly reader's forum may contact Marie Trends at 474-1149 or submit their requests in writing to: "Focus: Small Business," Reader's Forum, 3341 Grand River, Farmington 48024.

I am thinking about buying a small business that has been in existence for more than five years. What are some of the questions I should be asking the seller to obtain information that significantly will influence my decision to buy?

You want to find out everything you can about the business under consideration. When buying a company, there is no unimportant information. Unfortunately, many prospective buyers rely primarily on financial statements' data and other available documentation the seller offers to make "informed" purchase decisions.

Although all of this may be very useful, it is not where you should start and stop. You should feel free to probe and investigate every aspect of the operation.

Ask the seller if you may speak with some of the firm's past and present customers. You may also ask to conduct a random sample survey among company employees.

Other key questions directed at the seller would relate to the major areas of the business such as production, marketing, financial and personnel. This may be done during the first few meetings with a seller.

After that time, you will be in a position to ask the following questions:

- Which aspect of this business do you enjoy the most? (The answer should take a while.)
- What aspects of the business do you find the most challenging? (Wait for the answer and don't stop probing until you get it.)
- If you had to do it all over again, what would you do differently? (This one works to identify all the "lost opportunities" as well as any "mistakes" the seller feels personally responsible for.)
- If money was not a constraint at times, what could you have done with this company? (He or she probably will tell you in the next five minutes everything that is wrong with the business.)

Should an independent audit be used to reveal problems with a company?

An audit is verification of financial data using procedures and tests known as GAAS (generally accepted auditing standards). While these procedures are the best known for checking the reliability of financial data, they have not been designed to uncover fraud and actions of collusion on the part of company management.

## Using life insurance in pension plans

2nd of three parts  
In this article I will discuss the use of life insurance in qualified plans and in deferred compensation plans.

**Insurance in qualified plans**  
People make financial plans for their retirement in various ways: investments in equities, mutual funds, real estate, hard assets and so on. An important facet of retirement plans is a contribution to qualified (pension and profit sharing) plans, which are predicated on a tax-deferred basis. Life insurance plays an important role in the operation of many qualified plans.

There are four principal ways in which qualified plans can be financed with insurance: (1) individual policies, (2) group permanent insurance, (3) group annuities and (4) deposit administration contracts. Of these, the first two are self-explanatory. The group annuity contract is a method of financing a pension in which units of individual annuity contracts are accumulated each year and are fully paid for on a regular basis.

In contrast, a deposit administration contract is a form of group annuity in which the employer makes the contribution into a deposit administration fund, which is a single fund for all employees in the group. When an employee reaches the retirement age, enough money is withdrawn to provide the retiring employee with the annuity.

An important aspect of life insurance in a qualified plan is that death benefits provided in these plans are required by law to be "incidental." In a defined benefit plan, which prescribes the monthly income to

## finances and you

**Sid Mitra**

be received upon retirement, the incidental test is satisfied if the benefit does not exceed 100 times the expected monthly pension benefits.

In a defined contribution plan, which specifies the annual contribution, the insurance premiums are limited to a certain portion of the contributions.

One of the advantages of having insurance in a pension plan is to provide a large benefit for those relatively young employees who die before their money in the qualified plan has a chance to grow. Another advantage of this strategy is to offer insurance protection for the key employees who are "rated" and can only obtain insurance by paying significantly higher premiums.

Premium payments are treated as tax-deductible contributions. The distribution of cash value is taxable, but the difference between the face value and the cash value is treated

as tax-free distribution.

**Deferred compensation**  
As a way of providing a powerful incentive, corporations sometimes offer their executives what is known as deferred compensation. A deferred compensation plan is an arrangement whereby the company promises — but does not guarantee — to pay a predetermined compensation after retirement. This helps both parties, since the corporation does not have to pay the money now, while the executive does not pay taxes until the deferred compensation is actually received. Deferred compensation payments are tax deductible at the time payments are actually made.

A deferred compensation agreement is just as good as the financial

arrangements that support it. An employer can promise benefits, but the ability to carry out the commitment depends on solvency at the time payment becomes due. Also, deferred compensation becomes a part of the general assets of the corporation and hence can be attached by its creditors. These problems can be solved by using life insurance as a planning tool.

**SEMINARS:** 7-8:30 p.m. at the offices of Coordinated Financial Planning, Sheffield Office Park, 3250 W. Big Beaver, Suite 540, Troy, as follows: May 15 Tax-free (82 percent) Annuity Income without Losing the Principal; May 29: How to Choose the Best Mutual Fund; June 12: What to Do with Lump Sum Distribution in Retirement; June 26: Reducing Retirement Worries.

For reservations, please call 643-8888.

Sid Mitra is a professor of finance, school of business at Oakland University and owner of Coordinated Financial Planning.

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