

Business & Finance

MORE THAN MONEY



SID MITTRA, PH.D.

Life insurance: Learn how to evaluate it

Last week we demonstrated the differences in the illustrations representing two policies issued by the same company on the same person. In this column we will present two different policy illustrations on the same couple.

The analysis of these policies poses a unique challenge, because the differences between the two policies are starting (see Table 1).

Both are survivorship universal life policies issued for John (61) and Jane (60), who are classified as preferred non-smokers.

Both illustrations assume a 5 percent interest rate and both have a death benefit of \$4 million.

Looking at the bottom line of Table 1, we quickly discover that, after 38 years, the Company A policy will have an accumulated cash value of \$2,734,833, whereas the amount in Company B is only \$60,293. How come?

The explanation lies in huge differences in mortality assumptions. As compared to the mortality assumptions made by Company B, which represent the industry average, Company A makes highly aggressive assumptions in this area.

For instance, Company B assumes that only 28 percent of all the policyholders will be living at age 90, whereas Company A assumes that 65 percent of all the policyholders will live beyond that age.

The implication of such an aggressive assumption is that if the company does not have to pay the claims for 66 percent (as opposed to the industry of 28 percent) of all the insured, then the potential gain would show up in the accumulated values of the existing policyholders.

Helpful Suggestions

If you plan to shop for cash-value insurance, it might pay to obtain information on the key factors discussed below.

• **Dividend Rates** - Ask the agent to supply you with the past dividend rates and also to develop an additional illustration that uses one or two percentage points below the current interest or dividend rate.

• **Guarantees** - At the minimum guaranty level, universal life policies generally lapse after a decade or two. If you see zeroes in the guaranteed cash-value column, it means that if the minimum guarantee rate is applied to your case, then your policy will lapse as illustrated, unless you can come up with additional premium dollars. To avoid any possibility of such an

Please see MITTRA, B5

Sid Mittra, Ph.D., CFP, is professor emeritus of finance at Oakland University, and owner of Mittra, Finigan & Associates, a Rochester area financial consulting firm. Professor Jerold Grossman of O.U. critically reviewed this column. You can email questions or comments to Sid Mittra at smittra@oonline.com or [smittra@583-6441](tel:583-6441).

Magazine spotlights area business

BY RENA FULKA
SPECIAL WRITER

Oliver Moore was 63 years old when he traded his position as vice president of Times Mirror Magazines for a leisurely life of retirement.

No longer did the award-winning editor have to maintain his grueling schedule of flying to New York City each week to oversee Outdoor Life and Yachting magazines - then back again to his Bloomfield Hills home for weekends with his family.

After 32 years in the newspaper and magazine business, Moore now had time to polish his car and boat and quench his ferocious thirst for the printed word by reading hosts of glossy magazines - several of which had once bore his name on the masthead.

Within a year, though, the former business editor, who once worked as a Wall Street correspondent for Time Magazine, found himself itching to get back in the editorial seat.

"Retirement is not what it's cracked up to be," said Moore, now 66, a member of the Lake St. Clair Boating Community. "All my friends are working. There's no one to play with."

Last year, Moore reentered the industry by teaming with his wife, Chris Meyers, president of Troy-based Laine Meyers Marketing, Inc., to create and launch Corpl The Magazine of Successful Business. Together they are working to provide premier small to mid-sized company executives with a resource that keeps them on the competitive edge.

The first issue of Corpl arrived in May in the mailboxes of 40,000 Southeast Michigan CEOs currently overseeing companies that draw \$5 million to \$1 billion in revenues, most of them in the area's economic center of Oakland County.

"We wanted to specifically target companies that are not Fortune 500 companies," said Moore, the magazine's editorial director. "It's a great editorial premise with lots of business trends to cover. There's no shortage of stories to do."

Corpl keeps its readers in touch with the business world by publishing

case studies, special reports, trends and management solutions and putting a local spin on national and international news. Included among the pages are bylined columns by national business writers Peter Drucker and John Naisbitt.

Executives on the mailing list, who were selected from a Dun & Bradstreet compilation of 184,000 corporations, receive complimentary issues every month throughout the year. Circulation reaches as far as Ann Arbor, Saginaw and the Ohio border. Subscriptions will not be sold.

"It keeps the demographics absolutely pure," explained Moore, a Texas native who grew up in New York. "Our editorial focus is to cover the successful businesses in this area that fall in the upper to lower size range."

The combination of Moore's editorial talents and Meyers' publishing and marketing access clearly reflects through a crisp format highlighted by full-page, business-to-business advertisements. Joining the couple on the project are an advertising sales staff of three, a full time editorial staff of three and an editorial team of freelancers with "top-notch talent."

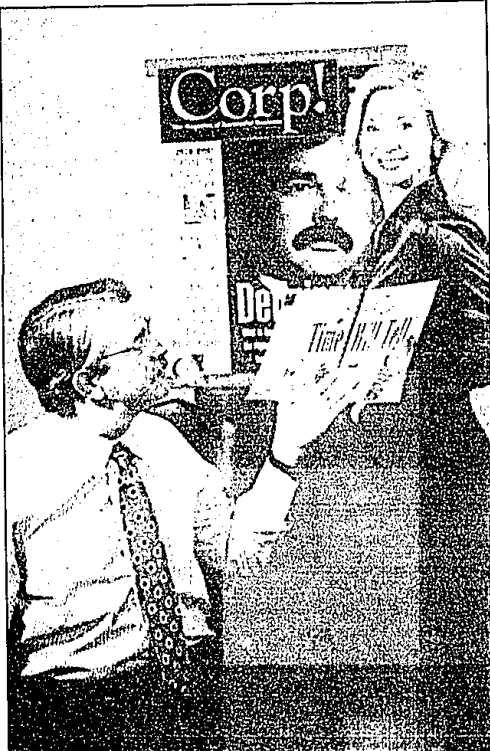
Corpl has been running in the black from day one, due to smart management and strong support from advertisers pitching their products and services to the elite group of readers.

"Detroiters are really proud to have a magazine like this," said Meyers, publisher of Corpl. "We know there was a good business market here. We're so targeted there is no waste. It's a very effective way to reach owners of small businesses."

Hundreds of business executives have already expressed their support by responding to an editorial fax poll that drew comments relating to everything from the book reviews to the "Family Feud" case studies featuring families in business.

With Corpl well on its way to a successful future in Metro Detroit, its creators are now brainstorming to bring the concept to new heights.

Please see CORPL, B5



Business magazine: Editorial director Oliver Moore and publisher Chris Meyers of Bloomfield Hills launched Corpl to keep retirement at bay.

Operation ABLE classes help job seekers

CLASSES

Operation ABLE of Michigan will help adult learners and mid-career job seekers acquire the skills that are needed in today's world of work and fine-tune their career development plans with its series of fall classes.

If you need help using the Internet as a job search and career transition tool, Operation ABLE is offering a hands-on course that introduces the basic terminology and start-up procedures for the Internet.

Stausser's online web sites that can be helpful for finding job leads, researching companies, and gaining

career-related information. They also learn how to prepare resumes for e-mailing via the Internet.

This all-day session will take place in ABLE's computer learning center in Southfield on Sept. 11, 19, 25 and Oct. 3 and 30, Nov. 7, Dec. 6 and 18.

Other Internet classes include "Internet for Human Resource Professional" on Nov. 13 and "How to Research Funders on the Web" on Dec. 4.

Want to jump start your job search and career plans?

ABLE's series of career development workshop include "Resumes for Mid-Career Transition" (Sept. 12, Oct. 1, Nov. 14, and Dec. 10), "Self-Assessment for the New World of Work" (Sept. 15 and 22, Oct. 24, and Dec. 8 and 15), and "Interviewing for Success at Mid-Career" (Sept. 26, Oct. 22, Nov. 17 and Dec. 12).

For information and a schedule of classes, contact Operation ABLE (Department C) on weekdays between 9 a.m. and 5 p.m. at 1-800-922-HIRE.

State jobless rate rises after labor disputes

July seasonally unadjusted unemployment rates increased in seven of the 10 major state labor markets, according to estimates released today by the Michigan Jobs Commission. Employment levels also were down in most areas.

The largest increase in joblessness occurred in the Flint metropolitan statistical area (MSA) where the unemployment rate rose 5.2 percentage points to 12.3 percent in July.

"The significant increase in the unemployment rate in the Flint area, as well as most other major state labor markets, can be attributed to the increased layoffs in manufacturing that resulted from the labor-management dispute at General Motors."

This includes both the layoffs in the GM plants and among automobile part suppliers," said Doug Rothwell, CEO and department director of the Michigan Jobs Commission.

Big companies recruiting at September job fair

The Observer & Eccentric Newspapers is sponsoring a job fair 11 a.m. to 7 p.m. Wednesday, Sept. 23, at the Laurel Manor Banquet and Video Conference Center, Livonia.

The fair will feature recruiters from various industries.

Participating companies are scheduled to include The Kroger Co., Conterra, Prudential Preferred, Dean Witter Morgan Stanley, Family Neighborhood, Skyway Precision, Snelling-Livonia, Staffing Services, Snelling-Bingham Farms, Unique Restaurants, Jawood Management, Village Green

Company, Tempform Corp., Sears, Now Horizons and Ford Motor Company.

Job seekers are encouraged to come with up to 70 resumes and be prepared for on-the-spot interviews.

Admission is free. Appropriate attire is recommended.

"We welcome the opportunity to place readers of our newspapers in face-to-face contact with businesses who have supported our newspapers' recruitment pages over the years," O&E director of marketing Rick Ficorelli said.

"We want to create a win-win situation for both groups."

This is the first joint job fair organized by The Observer & Eccentric Newspapers and HomeTown Newspapers, both subsidiaries of HomeTown Communications Network headquartered in Livonia.

The Observer & Eccentric Newspapers publishes 16 twice-weekly community papers in Oakland and Western Wayne Counties.

The HomeTown Newspapers publishes papers in western Oakland and Livingston counties.

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, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009. Our fax number is (248) 644-1314.



Conway

founder and principal of Conflict Management Consultants Inc. in Birmingham, has been elected to membership in the International Academy of Mediators.

Wendy Conway of Farmington Hills has been appointed office supervisor at J.R. Thompson Company in Farmington Hills. She will head up office and personnel administration and development of information systems.

Albert Holtz, a Bloomfield Hills attorney, has been appointed chairperson of the Michigan Attorney Discipline Board for a one-year term by the Michigan Supreme Court.



Kuzmanovich

Steven Kuzmanovich of Southfield was promoted to lieutenant by the Bloomfield Township Fire Department. He was a long-time Farmington Hills resident who began his firefighting career as a volunteer for that department.

Tim McCoy of St. Clair Shores has been promoted from account coordinator to assistant account executive at Koler, Stitker & Desmond in Troy. He will provide research and account planning expertise to the agency's food and retail accounts in the

integrated marketing group. John McCulloch, chairman of the Oakland County Board of Commissioners, was named second vice president of the Michigan Association of Counties at the annual conference in Frankenmuth.



Oaks

Sharon Oaks of Royal Oak has been hired as director of community relations for the Paint Creek Center for the Arts in Rochester. She will coordinate public and community relations for activities.

Robert Schneider of Troy has been promoted to vice president

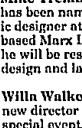


Sokol

of ambulatory care and administrator of the Henry Ford Medical Group. She was previously vice president and senior level administrator of the medical group.

David Sokol of Okland Township has been named area vice president for the Auburn Hills office of Vincera Human Resources. He will oversee all areas of client service, sales, human resources and risk management.

Gregory Smith of Bloomfield Hills has been elected a trustee of the Eastern Michigan University Foundation. The executive vice president of financing operations at Ford Motor Credit Company will serve three years.



Trombath

Milko Trombath of Ferndale has been named in-house graphic designer at Farmington Hills-based Marx Layne & Company. He will be responsible for the design and layout of projects.

Willis Walker of Franklin is the new director of advocacy and special events at ArtServe Michigan in Southfield. She recently completed nine years as artistic administrator for the Detroit Symphony Orchestra.



Valenti

Samuel Valenti III of Bloomfield Hills has been named chairman of the Investment Committee of the \$40 billion state of Michigan retirement system by Gov. John Engler. Valenti is president of Masco Capital Corporation.



Girard

Diane Girard of Orchard Lake has been named marketing director for Lutheran Social Services of Michigan. She will market senior housing complexes operated by the agency.

K.W. Stephen Choung,