

BUSINESS

MONEY

HOW INSURANCE FIRMS DECIDE IF YOU'RE A GOOD OR BAD RISK

By Terrence R. Johnson

Why would identical twins in perfect health, who both work as television repairmen, pay different amounts for a \$100,000 life insurance policy they bought from the same insurance company?

Answer: their hobbies are different. One twin is an avid skydiver, while the other prefers to participate in a weekend bowling league. And this difference is what insurance firms put under the heading of "risk classification."

Risk classification involves the grouping of applicants for insurance according to age, health, medical history, occupation, sex, physical condition, and other factors. The idea behind the system is that each individual should pay a premium that accurately reflects his or her risk of dying or being injured. Thus a window cleaner of high-rise office buildings might pay \$2.50 more for each \$1,000 of life insurance than a clerk or stage actor.

As for avocations, an amateur stock racer could pay an additional \$5 more per \$1,000 of

life coverage than his co-worker who plays tennis. If an insurer believes your leisure time is spent going too fast, falling too fast, or diving too deep, you're a likely candidate for extra premiums.

Most insurance applicants qualify for "standard" coverage. This means they are considered good risks and pay the regular rates charged by the company.

SMALL BUSINESS SUPPORT PASSES SENATE

WASHINGTON, D.C. — Last night the United States Senate approved a Bryan-backed amendment which will help generate small business loans through restarting a federal small business loan program. This program is expected to generate more than 139,000 jobs nationwide over the next five years and 668 jobs in Nevada.

"Small businesses are the great job generators of our economy," said Bryan. "And for many businesses during this severe credit crunch, the Small Business Administration (SBA) is the key to getting the capital to expand and grow."

The amendment offered by Senator Dale Bumpers (D- Arkansas), Chairman of the Small Business Committee, will restart the SBA 7 (a) guaranteed loan program. The amendment provides \$175 million to recapitalize the program which will allow the SBA to make \$3.3 billion in loans to small businesses.

"With the economic recovery in doubt, this

program is all the more important in generating that kind of growth which will lead to long-term recovery and job creation," Bryan said.

Bryan has been concerned about the lack of capital available to businesses in Nevada. Earlier this year Bryan held several hearings on the shortage of bank lending in Nevada. Bryan has supported legislation which would create a secondary market for business loans to minimize and spread the risk of lending. He has also supported administration actions which will reduce the regulatory burdens put on banks which has led to a reduction in lending.

"Unlike large corporations which have access to the stock market, small businesses have to borrow to grow," Bryan said. "This SBA program will never substitute for strong bank lending but it can play a key role in generating those loans and that growth that we need now while the economy is soft."

rates are set accordingly.

So premiums for disability and life policies increase in proportion to the odds of a person becoming sick or being injured or killed. Insurance companies weigh the probability of many given situations before deciding what to charge individuals. A person in poor health, for example, would pay higher premi-

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TRAVEL with Bates

By Sandi Bate



Welcome to captivating and enchanting Cancun. It's Mexico, yet it is really the Caribbean. It's the beach but it's also history and culture. It's luxurious and extravagant; yet affordable. Flying into Cancun you notice the astonishing water, spreading out from white shores in translucent shades of turquoise, emerald and sapphire. As the plane dips lower, you become aware of the vast green jungle rolling across the Acetin Peninsula, surrounding the airport where you land.

Handsome with its black marble floors and tall windows, the Cancun International Airport sparkles with contemporary style.

Nearly 14 miles long and a quarter mile wide, slender Cancun Island is shaped like a seven facing the mainland and connected to it by bridges at either end. Its arms enclose Nichupte Lagoon, while the outer shores face the Caribbean with the long white beaches that have made Cancun famous. City on the mainland offers many hotels, too. A lively tropical mixture of shops, markets, sidewalk cafes, restaurants, lodgings, and office buildings, Cancun city is the downtown business center and the place executives on the go and more budget-minded travelers stay. But for sheer luxury and maximum beach time, most visitors stay on the island.

Cancun is endowed with enormous natural beauty and a rich cultural heritage and offers the vacationer superb opportunities for rest and relaxation. Over the past 22 years Cancun has grown from a tiny fishing village into one of the world's most exciting vacation destinations.

The city's phenomenal five-star success is due to its pivotal location and spectacular blends of both natural and man made attributes and the friendly open nature of its people. A tropical climate, clear turquoise seas and white sand beaches are set in an area that gave birth to no one of America's great prehistoric civilizations. Ancient Mayan culture dot the entire peninsula adding a dimension to this Caribbean resort unmatched by any other.

Cancun is Mexico's biggest success story. A computer was first to spot the narrow 12-mile long island and selected it to become a part of the national fund for the Development of Tourism's "mega project". When Cancun's creators elaborated the concept of a first-class international resort the primary concern was location. Cancun offers the best of both world's. The perfect Caribbean setting with immense stretches of the finest and whitest sand and a turquoise sea, combined with all the cultural attributes of a Mexican destination. This has positioned Cancun in a way in which most resorts in Mexico cannot be positioned.

Imagine a private beach with miles of white sand, lush tropical jungle, untouched for hundreds of years. Mysterious underwater caverns, blue crystalline waters, coral reefs, teeming with exotic marine life all in the heart of magnificent ancient Mayan civilization.

Cancun is a complete destination and that is what makes it so popular. However, no one is confined to the resort because it's

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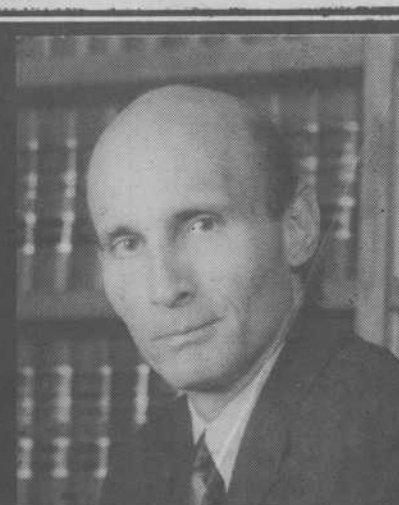
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