

MONEY MANAGEMENT

PROTECT YOURSELF AND YOUR FAMILY WITH PROPER INSURANCE COVERAGE

Proper insurance coverage is vital to your ability to protect your earnings and your assets if a disaster strikes. Although your specific insurance needs will vary based on your financial status, age, occupation, marital status, and number of dependents, the Nevada Society of CPAs points out that at a minimum, most individuals need homeowners', health, and life insurance coverage.

Here's why — and what you should look for in each of these areas.

HOMEOWNERS' INSURANCE

Homeowners' insurance can protect what may well be your most significant asset — your home — from losses resulting from thefts, fires, burglaries, and other disasters.

To obtain adequate protection, base the amount of your coverage on the replacement value of your home — the amount it would cost to rebuild your house — not its market value. Some companies write policies for as little as 80 percent of the replacement value, but you're better off paying a higher annual premium to obtain coverage for 100 percent of the replacement cost. You should also obtain replacement coverage for the personal contents of your home.

Additionally, homeowner's insurance usually provides liability protection in the event someone suffers an injury on your property. Given today's litigious environment, this is coverage you shouldn't forgo.

HEALTH INSURANCE

Although there are an increasing number of health plan alternatives, generally you must choose between the traditional plans — often known as "basic" plans plus major medical — that enable you to select any physician or hospital and include a yearly deductible, or a health

maintenance organization (HMO). HMOs provide total health care coverage with no deductible and minimal copayments. However, with a HMO your choice of physicians is limited to a list specified by the HMO operator.

Whether you have health insurance coverage through your employer or an individually purchased plan, there are several important elements to consider when evaluating your medical coverage.

First, look at the deductible clause in the plan. This refers to the amount of out-of-pocket expenses you will be required to pay in a given year before benefits start to be paid.

Also, consider the amount of lifetime benefits offered under the plan. Some plans pay an unlimited amount during your lifetime and others limit the payout. Determine, too, whether there are any limits on your hospital benefits and the extent to which your policy provides coverage for outpatient care, such as preadmission testing and emergency care.

DISABILITY INSURANCE

Disability insurance is designed to replace your income, or a portion of it, if you become injured or disabled. The cost of the policy will depend on the benefit amount you choose, your current health, as well as your age.

When reviewing the policy, check the waiting period before benefits kick in — usually between 60 to 90 days. Also, be sure the policy is non-cancelable and guaranteed renewable — meaning that as long as you pay your premiums, the insurer can't suddenly cancel your policy.

LIFE INSURANCE

Life insurance enables you to provide a source of income to your family at the time of your

death. Generally, you have the option of purchasing "term" insurance, "whole" life, or a combination of the two. Term life insurance, which requires the smallest initial cash outlay, only provides a death benefit — that is, there is no cash or savings buildup.

If you chose whole life insurance, on the other hand, part of your premium is invested by the insurance company, and the cash value of your policy usually rises steadily. Although you generally collect just a modest interest rate on the savings, the accumulation of tax-deferred

earnings can provide the nest egg you may need in an emergency or at retirement.

CPAs point out that you should also carefully consider the tax implication of your life insurance investment, the amount of the premium relative to coverage, and the administra-

tive and commission expenses.

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MORE THAN 200 ATTEND PRIMERIT HOME BUYERS PROGRAM

More than 200 Nevadans received a boost in their aspiration of realizing the American Dream of owning their own home by attending a two-hour, educational program presented by PriMerit Bank and co-sponsored by North Las Vegas Housing Services Inc. recently.

The program, part of Primerit's on-going community-wide effort to help provide affordable housing, offered pointers on buying a home, obtaining affordable financing, the responsibilities of home ownership and availability of real estate in Southern Nevada.

The session, which was held in the North Las Vegas Library, also included tips on maintaining a home, reviewing a credit report and applying for one of PriMerit's two residential real estate loan programs which were designed to help home buyers with low to moderate income as well as first time buyers. These programs are:

- * PriMerit's exclusive Affordable Gold plan allows the potential home buyer to qualify for home financing with as little as 1 percent of the 5 percent down payment coming from their personal funds. The remaining 4 percent may come from either a gift or a grant from a non-profit organization, such as Neighborhood Housing Services.

- * PriMerit's Community Home Buyers Program also requires a total of 5 percent down with as little as 3 percent coming from



PriMerit Bank loan officer Jacqueline Ingram welcomes more than attendees to the Bank's recent home buyers education class, held at the North Las Vegas Library.

the buyer. The remaining 2 percent can come from another source, such as a gift or grant.

PriMerit's programs have other features which make it easier for qualified buyers to secure home financing. These include:

- * PriMerit gives more weight to rent receipts, utility bills and other payments that show a stable payment history for those applicants with minimal credit history.

- * The debt to income ratio used in qualifying for these programs is eased somewhat. For

example, up to 40 percent of the borrower's gross income can go toward total expenses instead of the usual 36 percent with other forms of home financing.

At the end of the evening's program, attendees were given a certificate stating they had completed the two-hour class. The certificate is required to qualify for either of PriMerit's programs.

"This session was part of PriMerit's on-going commitment to meet the banking needs of all Nevadans," said Dan J. Cheever, the Bato the evening's presen-

tation. Already, we've set a number of appointments with our loan officers for those who attended."

Added Cheever, "We want to make sure we inform as many people as possible of our programs. Therefore, we have scheduled a second session for November 17 and we will be presenting more sessions right after the first of the year."

PriMerit Bank is the largest Nevada-based financial institution with 25 branches statewide, 17 in Southern Nevada and eight in Northern Nevada.

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