



*"We're There When You Need Us Most"*

108 9TH - LEWISTON, ID 83501 (208) 746-9646 IN OUR 75TH YEAR - NOVEMBER '97

## *"And A Good Time Was Had By All!"*

As 1997 comes to a close, I wish to express my thanks to you and everyone who made our firm's 75th Anniversary year so successful. The highlight of the year and a lifetime memory for me personally, was our Old Fashioned American Picnic to celebrate our 75th Anniversary. Over 450 customers, friends and well-wishers attended the picnic. Planned in conjunction with the joint Lewiston and Clarkston Chambers of Commerce Business After Hours, it is reported to have been the largest one ever. The outpouring of friendship and love expressed to my father, Sully, and staff was really touching and most sincerely appreciated. A few pictures from the event are included in this newsletter.

The holiday season and the new year of 1998 is upon us. I am pleased to enclose once again your gift calendar. Extras are available upon request as supply lasts. As we mark the days of a new year together please accept our best wishes that you will find peace, joy and health in every single day.

*We're There When You Need Us Most,*

John Sullivan  
President



*Happy  
Holidays!*



*Sullivans' and staff pose for posterity.*

### *In brief...*

❖ A Good Time Was Had By All - the 75th Anniversary celebration of American Insurance was a huge success.

(Pictures inside)

❖ Taxpayer Relief Act of 1997 provided new and expanded IRA Opportunities, Estate and Gift tax relief and increased deduction for self-employed health insurance. (page 2)

❖ Medical Insurance - American Insurance saves clients thousands in medical premiums and grows into a leading source for valley residents to shop for group and individual medical insurance plans. (page 3)

❖ John Sullivan of American Insurance has been selected by Regence BlueShield of Idaho as an agent to represent the company's newest health care product for seniors in the Lewiston area. For questions regarding Regence BlueShield of Idaho's new senior product line, please call John at American Insurance at 746-9646.

❖ Safeco acquires American States and creates the 12th largest property casualty company in America. New efficiencies should produce enhanced coverages, expanded services, and even lower pricing potential for our customers. (page 4)

# Taxpayer Relief Act of 1997

President Clinton signed the Taxpayer Relief Act of 1997 on August 5, 1997. Hundreds of changes mark the first significant federal tax reduction since Ronald Reagan signed the Economic Recovery Tax Act 16 years ago. Individuals are now allowed more freedom and better results with their financial planning. Careful consideration now can add to the benefits beginning next year. A few of the highlights that cover insurance practices handled by American Insurance are listed below.

## Expanded IRA Opportunities

Numerous changes, all starting next year, have been made to the IRA rules to expand their availability and allow more penalty-free distributions.

## Enhanced Ability to Make Deductible Contributions

In 1998, an individual who is not an active participant in a qualified retirement plan (such as a nonworking spouse or an employed spouse who isn't covered by a pension plan) can contribute and deduct up to \$2,000 to an IRA, even though the other spouse is an active participant. Family AGI can be as high as \$149,999, but the deduction is phased out between AGI of \$150,000 and \$160,000.

## New "Backloaded" Roth IRAs

Starting next year, you can consider contributing to a new Roth IRA. Contributions to Roth IRAs are nondeductible, but earnings build up tax-free. You can eventually pull out your money plus the earnings without owing any federal income taxes provided the money has been in the account at least five years and you are at least age 59 1/2. Thus, the tax benefits of Roth IRAs are "backloaded" rather than "frontloaded" like traditional IRAs.

Up to the lesser of earned income or \$2,000 can be contributed annually, by each spouse for married couples, reduced by any contributions to traditional IRAs.

*-continued on back page*

*Over 450 customers, friends and well wishers enjoy the picnic meal.*



## ▲ highlights

### SUMMIT SECURITIES, INC.

INVESTMENT CERTIFICATES,  
SERIES A

ANNUAL YIELD

# 9.07%

WHEN INTEREST IS LEFT TO  
COMPOUND SEMI-ANNUALLY

INTEREST RATE

## 8.875%

FOR 10 YEARS \$1,000 MINIMUM

EFFECTIVE DATE: OCTOBER 27, 1997

8.00% .....	5 Years	\$1,000 Minimum
8.25% .....	6 Years	\$1,000 Minimum
8.875% .....	8 Years	\$250,000 Minimum
9.00% .....	10 Years	\$250,000 Minimum

OTHER RATES & TERMS AVAILABLE

*No fees or commissions.*

*This is not an offer to sell securities.*

*This offer is made only by the prospectus available from:*



**METROPOLITAN  
INVESTMENT  
SECURITIES, INC.**

917 W. SPRAGUE AVENUE, SPOKANE, WA 99201  
MEMBER NASD, SIPC, & MSRB

**JOHN SULLIVAN**  
INVESTMENT REPRESENTATIVE

**DIRECT: (208) 746-9646**

*Not available for Washington State residents.*

~ *Our experience will save you money* ~

Group and individual medical insurance premiums are among your largest expenses. There are many different insurance carriers and coverage plans, and regulations change constantly. In the last 12 months, we have saved our clients literally thousands of dollars in medical premiums. Let us show you how our medical benefits department will make a difference for you.

Individual and Group  
Medical, Dental, Vision,  
Life, Disability and  
Medicare Supplements



**Regence**  
*BlueShield of Idaho*  
An Independent Licensee of the Blue Cross and Blue Shield Association.

**Blue Cross**  
**of Idaho**



An Independent Licensee of the Blue Cross and Blue Shield Association



**Blue Cross**  
of Washington and Alaska  
An Independent Licensee of the  
Blue Cross and Blue Shield Association

## METROPOLITAN MORTGAGE & SECURITIES Co., Inc.

INVESTMENT DEBENTURES,  
SERIES II

ANNUAL YIELD

# 9.07%

WHEN INTEREST IS LEFT TO  
COMPOUND SEMI-ANNUALLY

INTEREST RATE

## 8.875%

FOR 10 YEARS \$1,000 MINIMUM

EFFECTIVE DATE: OCTOBER 27, 1997

8.00% .....	5 Years	\$1,000 Minimum
8.25% .....	6 Years	\$1,000 Minimum
8.875% .....	8 Years	\$250,000 Minimum
9.00% .....	10 Years	\$250,000 Minimum

OTHER RATES & TERMS AVAILABLE

*No fees or commissions.*

*This is not an offer to sell securities.*

*This offer is made only by the prospectus available from:*



**METROPOLITAN  
INVESTMENT  
SECURITIES, Inc.**

917 W. SPRAGUE AVENUE, SPOKANE, WA 99201  
MEMBER NASD, SIPC, & MSRB

**JOHN SULLIVAN**  
INVESTMENT REPRESENTATIVE

**DIRECT: (208) 746-9646**

*Not available for Idaho State residents.*

### *Representation:*

We are authorized agents offering plans from:  
Regence BlueShield of Idaho, Blue Cross of Idaho, Blue Cross of Washington and Alaska, Qual-Med and more.

### *Get help at no cost to you:*

The fact is, your medical insurance premium already includes the services of a broker - whether you have one or not. When you select American Insurance as your service representative, there is no additional cost and no change in your rate for our services.

### *Experience:*

Tim Gleason, our benefit expert, is the former District Sales Executive for Regence BlueShield of Idaho. Tim heads our medical department and brings a wealth of experience to our staff.

### *Benefit Design:*

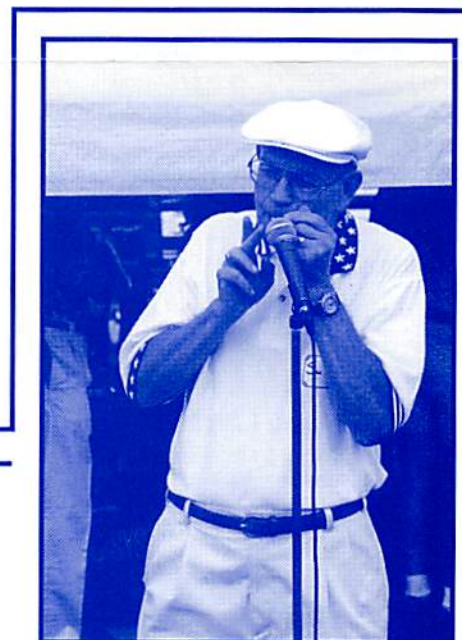
Our Medical Benefits Department can put their knowledge to work in finding a plan designed for you. Proper design can attract quality, loyal employees. The right coverage can reduce claims and stabilize your rates.

### *Negotiation:*

We fight the rate battles for you!  
Our one-on-one relationships with select companies allows us to negotiate for the most competitive rates and plans.

*For more information and a  
medical proposal for you or your  
employees all you need to do  
is call us at 746-9646  
or 1-800-735-6355.*

*Frank "Sully" Sullivan  
entertains the crowd  
with his jaw harp.*



# - Safeco Acquires American States

In an age of acquisitions and mergers this is a spectacular business move for everyone - the stockholders, the agents, and our insured customers. American States and Safeco, two of the most highly respected and successful insurers, are now coming together to create the 12th largest property - casualty company in the country with combined revenues of \$6 billion and more than 8,000 agents.

For our customers it means more efficiencies that produce enhanced coverages, increased services and even lower pricing potential. Over the next two years in a move that will look more like a merger than acquisition, the best qualities of both companies will emerge. One analyst, Alice Schroeder, put it this way, "strategically, the transition is a home run, telescoping what would be many years of business development into a single transaction."

Here at American Insurance Agency, we have represented American States Insurance Companies for over 30 years. We are very pleased and excited by the new opportunities provided by the Safeco/American States merger and look forward to serving you, our customer, with the insurance industry's absolute best products, prices and services in the future.

## Taxpayer Relief Act of 1997

- continued from page 2

### New Education IRAs

Starting in 1998, parents can establish education IRAs for each child and make annual nondeductible contributions of up to \$500 to each. This privilege is above and beyond your ability to make contributions to traditional and Roth IRAs. Earnings on education IRA funds will be allowed to accumulate tax-free, and tax-free withdrawals can be made to pay for undergraduate or graduate education expenses for tuition, books, and room and board.

### Penalty-Free Withdrawals for Education

Withdrawals, starting in 1998, from traditional IRAs can be taken to pay for qualified higher education expenses of the taxpayer, or his or her spouse, dependent child, or grandchild without having to pay the 10% penalty tax that generally applies to withdrawals before age 59 1/2.

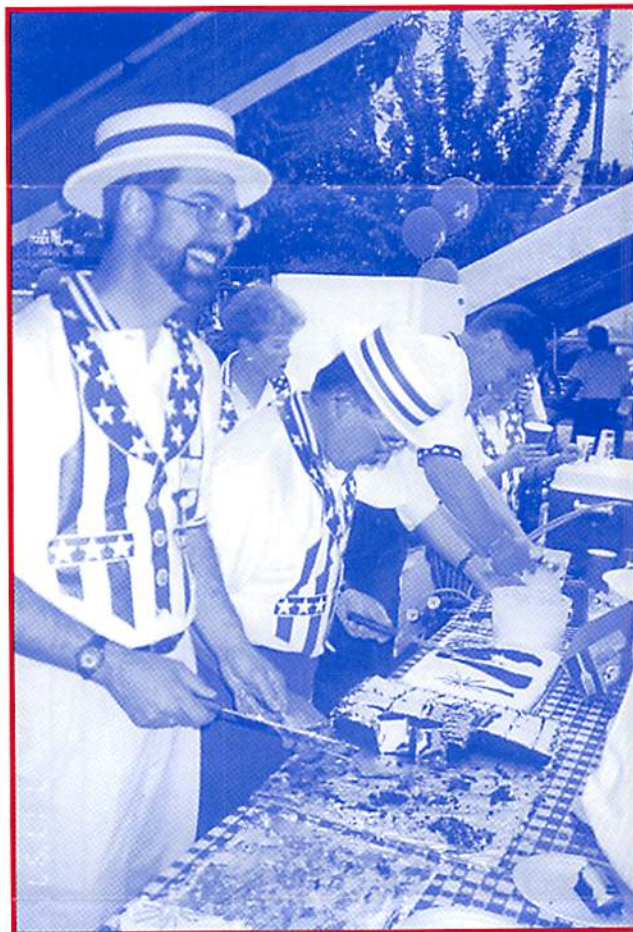
However these withdrawals will still be subject to the "regular" federal income tax and the AMT, if applicable. Qualified expenses include tuition, fees, books, room and board, and equipment required for enrollment or attendance at an eligible education institution.

### Estate and Gift Tax Relief

The unified estate and gift tax credit will gradually be increased to permit individuals to make tax-free transfers of up to \$1 million. The increases mean married couples, as of 2006, will be able with proper planning to transfer at least \$2 million without owing any federal gift or estate taxes.

### Increased Deductions for Self-Employed Health Insurance

For 1997, self-employed taxpayers can deduct 40% of their health insurance premiums. In future years, the deductible percentages will be gradually increased as follows: 45% for 1998 and 1999; 50% for 2000 and 2001; 60% for 2002; 80% for 2003 through 2005; 90% for 2006; and 100% for 2007 and later years.



*John Sullivan and staff serve anniversary cake and ice cream floats to all.*

## AMERICAN INSURANCE AGENCY SERVICES:

### Personal Coverages

- ▲ Automobile & Motorcycles
- ▲ Homeowners, Mobile Homes & Renters
- ▲ Motorhomes, Boats & Travel Trailers
- ▲ Liability - Personal Umbrella
- ▲ Duplex - Rental Homes

### Business Coverages

- ▲ Business Auto
- ▲ Package Policies Save Money
  - Retailers & Contractors
  - Manufacturers & Service
- ▲ Property & Liability
- ▲ Workers Compensation & Bonds
- ▲ Farms

### Benefits

- ▲ Life Insurance
- ▲ Medical Insurance
- ▲ Medicare Supplements
- ▲ Group Insurance Benefits
- ▲ Individual Retirement Accounts
- ▲ CD/Annuities
- ▲ Disability Insurance

### No Cost Services

- ▲ Photocopying
- ▲ Fax Machine Use 208-746-9640
- ▲ Toll Free Calling 800-735-6355
- ▲ Notary Service
- ▲ 24 Hour Personal Assistance