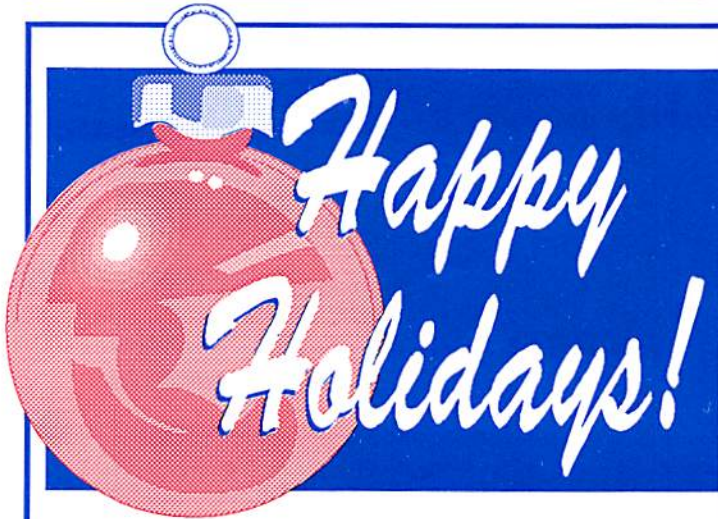


*"We're There
When You
Need Us Most"*

108 9TH - LEWISTON, ID 83501 (208) 746-9646

IN OUR 71ST YEAR - DEC 1993



Thank you! All of us at American Insurance Agency are truly thankful for the trust and confidence you place in us to fully protect the things you value.

During 1993 we sent you a "Satisfaction Survey" along with your Annual Review Questionnaire. Those who returned the survey were very generous. It makes us very happy to know that 99.6% gave our service a rating of very satisfied, satisfied or expressed no opinion. Thank you to everyone who took the time to rate our service. Our goal will always be 100% satisfaction as we work hard in 1994 to always "Be There When You Need Us Most."

Happy Holidays!
The Sullivan's and Staff.

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GUARANTEED HEALTH INSURANCE NOW!?

▲ **John Sullivan**



Without fanfare the New Year rings in a new law that will dramatically effect every Idaho small business and their employees. Although no federal health care reform has been passed yet the Idaho legislature on July 1, 1993 passed a law called "Small Employer Health Insurance Availability Act".

Effective January 1, 1994 all Idaho employees of small employers are guaranteed acceptance for major medical insurance. The law is found in Chapter 47, Title 41 of the Idaho Code and is complex. Small employers can expect a messy transition as lawmakers, insurance companies, and employees try to make sense of the law. Employers and employees are urged to call our Benefits Department for more specific details but here are some highlights... **CONTINUED ON PAGE 3**

Sullivan's 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
- ▲ Packages Policies Save Money - Retailers & Contractors - Manufacturers & Service
- ▲ Property & Liability
- ▲ Workers Compensation & Bonds
- ▲ Farms

Benefits

- ▲ Life Insurance
- ▲ Disability & Medical
- ▲ Medicare Supplements
- ▲ Group Insurance Benefits
- ▲ Individual Retirement Accounts
- ▲ CD's/Annuities
- ▲ Mutual Funds

No Cost Services

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

I-CAP

CURRENT
INTEREST
RATE
7.00%

INDIVIDUAL CAPITAL APPRECIATION PLAN



NEW HOME



COLLEGE



RETIREMENT

TAX FREE GROWTH AND INCOME

Saving money for college, a new home or retirement is now easy and rewarding with I-CAP. I-CAP is an *Individual Capital Appreciation Plan* that allows all individuals to make flexible contributions that compound income tax free and includes a tax free pre-retirement death benefit. Although contributions are not currently tax deductible, in the I-CAP plan you do have access to your money (even before age 59 1/2) without a penalty tax. And, your interest earnings compound on a tax free basis. Tax free growth means lower taxes now and more money to spend later.

NO FEES NO SALES CHARGES NO RISK



100% of your money is invested at high current interest rates. Your principal and interest is guaranteed. The only deductions from your account are for the pre-retirement death benefit (*lower than term insurance*), and waiver of deposit for disability. You receive a detailed financial report annually.

I-CAP IS GUARANTEED

GUARANTEED FLEXIBILITY: Contributions are voluntary and can be as low as \$25 per month and you have access to accumulated funds by withdrawal or tax free loan.

GUARANTEED PRINCIPAL: There is no market risk. Your funds are insured by a top rated insurance company.

CONTINUED NEXT COLUMN...

C.D.s AND I.R.A.s NOW LOCK IN...

**"I'm losing
interest in
my bank!"**



	Rate*
▶ CD-I.....	5.00%
▶ CD-III.....	5.50%
▶ CD-V.....	5.75%
▶ TAX DEFERRED ANNUITY.....	6.25% Flexible or Single Deposit

Current rates guaranteed 12 months

Renew Your IRA or CD With Us! 746-9646

*Interest rates are quoted effective 12/1/93 and are current effective annual yields, guaranteed for 12 months. Annuities are issued by Old Standard Life, a legal reserve life insurance company. Principal and interest is fixed and guaranteed by Old Standard Life Insurance Company. There are no fees or sales charges. There is a small penalty for early withdrawal. For complete details and disclosures please request a brochure available through American Insurance Agency.

...ICAP CONTINUED

GUARANTEED INTEREST: All deposits compound daily and earn a current high interest rate. Guaranteed never to be lower than 4.5%.

GUARANTEED SELF COMPLETING: If disabled the plan automatically makes your planned deposits for you. A pre-retirement death benefit pays survivors a tax free income to make up for pension funds lost due to death.

GUARANTEED INCOME: For you and/or your family to retire early or supplement your company pension and social security.

HOW TO START YOUR I-CAP PLAN

An I-CAP needs to be specifically designed to meet your personal goals. Your plan should coordinate with your social security and company pension benefits. As a free service to you our Benefits Department can provide you more information and help you plan to reach your goals by implementing an *Individual Capital Appreciation Plan*. Call John Sullivan, our Benefits Department Manager for complete details at 746-9646 or toll free at 1-800-735-6355.

A TAX HIT ON THE ELDERLY

1993 brought us a new tax law that boosts the top tax bracket to 39.6% for taxable incomes above \$250,000 giving Uncle Sam 39.6 cents of every dollar of CD interest these folks earn.

There's another interesting aspect to the new tax law: A lot of retired people (surprise!) have suddenly found themselves among "The Rich." Up to 85% of Social Security benefits for singles earning over \$34,000 and couples earning over \$44,000 is now taxable! Chances are - a lot of people are going to be hurt by this.

What can you do? Moving money from taxable CDs and other investments into a tax-deferred CD/Annuity plan can actually lower your taxable income (and your total tax)! Why? Because, under the law, unwithdrawn annuity interest **does not count as income** for determining the Social Security benefit tax! Earnings from taxable investments do count, whether withdrawn or not.

So the best answer to increasing your real rate of return with safety is the higher interest and tax deferral found in CD/Annuity plans. Please call John Sullivan today for more information.

Real Rates Of Return On CDs For The Last Five Years

Year	CD rate*	Rate after tax**	Annual inflation	Real rate of return
1989	9.08%	6.27%	4.6%	1.67%
1990	8.17%	5.63%	6.1%	-0.47%
1991	6.76%	4.66%	3.0%	1.66%
1992	3.44%	2.37%	3.2%	-0.83%
1993	3.40%	2.35%	2.8%	-0.45%

*Source: 6-month CDs Federal Reserve Board

**After taxes, assuming 31% combined federal and state

GUARANTEED HEALTH INSURANCE NOW?! Continued From Page 1

(1) THIS IS AN ACCESS BILL ONLY! Employers are not required to provide medical insurance for their employees, but if they do then their medical plan is subject to the provisions of this law. All employees and dependents are guaranteed acceptance on the plan regardless of health status or past claims experience.

(2) WHO IS EFFECTED BY THE LAW? Small employers with 2 to 49 employees that offer a group medical plan must now conform that plan to the new law by July 1, 1996.

(3) WHAT ABOUT COVERAGE? The law mandates a Basic Plan or a Standard Plan of benefits which may be modified with certain optional benefits. These new plans will resemble the most common group major medical plans available now. The most notable coverage difference involves benefits for preventative care and care for children. Such as...

A. No deductible for preventative care and maternity visits. There is a \$15 CO-payment made by the patient per visit with a \$500 annual maximum per person. There is no CO-payment for children under age 12.

B. Vision care is included for children under age 12 as a preventative care with eye glasses covered subject to a \$75 per year cap.

C. Dental care will be provided for children under age 12 which includes exam, cleaning, fluoride and routine care (not orthodontics).

D. Immunizations for children will be updated annually.

(4) WHAT ABOUT RATES? The new law makes no attempt to solve the affordability of health care or health insurance. The effect of the law on pricing has not been determined but generally pricing will increase to cover the previously uninsurables.

(5) HOW WILL THIS NEW LAW EFFECT SMALL COMPANIES?

A. If you provide group medical now your plan must conform to the new law by July 1, 1996. Transition problems may arise before that time by a current employee or dependent who was previously rejected for coverage or a new employee that is rejected due to poor health or a chronic condition. In that case the entire group would need to change to the new guaranteed plan at a higher premium rate.

B. If the employer doesn't provide group medical now or was rejected for health reasons previously, then the employer can sponsor a guaranteed plan beginning January 1, 1994.

C. If the employer pays for individual plans for selected employees through payroll deduction or group list billing then the employer must stop on 12/31/93. The employees must then begin paying for their individual plan personally or the employer can sponsor a guaranteed group plan for all employees

(6) HOW WILL THIS NEW LAW EFFECT ME INDIVIDUALLY?

A. If you or a dependent has been rejected for group medical coverage you can reapply after January 1, 1994 and are guaranteed acceptance.

B. If the group you are currently on is forced to convert to the new guaranteed plan you will most likely see an increase in any premium you are paying for your coverage.

(7) WHAT SHOULD YOU DO NOW, IF ANYTHING? Brace yourself for some confusion and disruption in the group medical insurance markets during this transition. And, brace yourself for perhaps a dramatic increase in small group medical premiums.

Our benefits department can help you manage through the new mine fields of small group reform. Call our benefits department here at American Insurance Agency for an independent benefit review. We will provide you with a copy of the new law and can help you apply for coverage with Medical Service Bureau or Blue Cross of Idaho. It costs you nothing to have us represent you.

Thank You! FOR YOUR LETTERS!

May 25, 1993

American Insurance Agency
108 9th Street
Lewiston, Idaho 83501

At 11:00 a.m. one day in March of this year, I called your company to find out if I had coverage on the windshield of my automobile. It had just received a small chip in it which was caused by a passing vehicle.

I dreaded making the telephone call. Although I had never had to file a claim with your company, I had experienced the trauma of dealing with other insurance agencies. Therefore, I wasn't surprised when I was asked to hold while my representative was located. What did surprise me was that I did not have to repeat my question. What did surprise me was that I did not have to wait for my representative to find the time to call me back. What did surprise me was that I had an immediate answer to my question.

I was told my windshield was completely covered if it could be repaired. I thanked the representative and immediately called a repair service. I brought the car in at 11:30 the same day. By noon, one hour after notifying your company, I drove away with a repaired windshield.

I want to thank you for your prompt, courteous and efficient service.

Sincerely,
Tess Rogers
Tess Rogers

JACKIE PETERSON - 30 YEARS OF SERVICE

Profile



You could say American Insurance Agency's Jackie Peterson has had two marriages the last 30 years. 30 years of marriage to her husband Pete Peterson, retired Nez Perce County Assessor, and her career of 30 years as Commercial Lines Customer Service Representative at American Insurance Agency.

Jackie finds both marriages very fulfilling. "I suppose what I enjoy most about my job is the challenge. My work never stays the same," she said. "In the insurance business there's always new rules, new laws, changes in policy types...always something new."

WHAT I ENJOY MOST ABOUT MY JOB IS THE CHALLENGE

In her spare time, Jackie enjoys boating, bowling, camping and traveling with her husband Pete - who has three children Bonnie, Barbara and Craig. "I would like to travel more, but there never seems to be enough time."

"In a nut shell," Jackie's job with American Insurance entails processing new policies and renewing current policies, which means a great amount of time dealing with clients. "I enjoy working with our clients," she said.

Jackie also enjoys her co-workers at the agency. "There is a very congenial atmosphere in regard to my co-workers," she said. "We get along well - which is important if you're going to work with an agency as long as I have."



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When You
Need Us Most"*

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