

Life Insurance for The College Man? Not On Your Life, Advises C. U.

Unless a college student has children, as a rule he should not buy life insurance. In fact, says the nonprofit Consumers Union, "the last thing most college students need is life insurance."

The exception would be the breadwinner on whom children will be dependent until they grow up. Despite this atypical circumstance for a collegian, CU says "the life insurance agent has become a familiar figure on many campuses."

Bearing this out is an industry survey of more than 300 life-insurance companies which turned up 20 per cent with sales programs aimed at college students and young professionals who are not yet earning enough to pay the premiums.

Isn't it difficult to sell a policy to someone who can't afford it? Insurance men have their sales pitch so programmed to this hurdle that they can often turn it into a selling point. Says Consumers Union, they approach the premium paying problem by offering to finance the first annual premium, and frequently the second, with a loan to be paid off perhaps five years later.

The interest on that five year loan? It's payable at an annual rate of 6 to 8 per cent or more. And, says CU, in many plans the policyholder pays interest on the interest, too.

As an example of what life-insurance loans can cost, the nonprofit consumer organization tells of a \$10,000 policy sold by Fidelity Union Life of Dallas in 1970. The 21-year-old student purchaser paid an annual interest rate of 8.5 per cent. The compounded finance charge on the first year premium loan of \$151 comes to \$76.07.

From the creditor's standpoint, such loans are among the safest

imaginable, says Consumers Union. Its full report on the sale of life insurance to students, contained in the January issue of **Consumer Reports**, explains why the lender's risk is so minimal.

One element involves a miniature endowment policy built right into the insurance policy. At the end of five years, the insurance company gets most of the cash value in payment of the policyholder's debt.

The promissory note itself has built into it an acceleration clause, a typical feature of retail installment contracts. If the student fails to pay any premiums on time, the lender can demand immediate payment of the entire loan. With the promissory note, he can also readily obtain a court judgment ordering payment.

Entitled "Caveat Emptor on Campus," the CU report, warns that as with most retail credit agreements, an insurance policy financing note may be impossible to cancel. Life insurance is customarily sold for a year at a time. When a student is persuaded to buy a policy and sign a financing agreement, he is committing himself to buy a full year's protection.

None of the policies or promissory notes examined by Consumers Union had a provision for refund of premiums during the first year. And, says CU, the policies examined tended to be relatively expensive cash value policies with lots of extra-priced features.

Companies doing a big business in college policies often set up special agents in college towns. They like to recruit, as salesmen popular campus figures such as fraternity leaders, recently graduated star athletes, former coaches and even faculty members and administrators.

One professor at Michigan State University is cited as reporting some students he interviewed didn't know they were signing a contract committing them to buy insurance. Some thought they were signing a medical form. Others thought they were getting the first year's insurance free. All were being sued by the same insurance company.

Eugene, Ore. (CPS) — Although some faculty members have described general faculty meetings as "disruptive, resulting in injury and insult to ladies," the Faculty Senate of the University of Oregon has voted to take no action changing the conditions under which the meetings are held.

Speech professor Bower Aly, who introduced the motion to change the format of the meetings, said the faculty has an obligation to maintain decorum in their meetings. He cited instances during controversial meetings, attended by many students, when faculty members have been spat upon and the meetings "degenerated."

"Some of the bad actors are not students on this campus, but regardless this has to be remedied," Aly said.



"On the other hand, if you should get clobbered, say, in a demonstration, we don't pay off. We consider that an act of God."

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be flogged until a sense of respect can be instilled. Now take these numbskulled blockheads somewhere else to seat them—I shall have nothing whatsoever to do with such oafs!!"

After this verbal thrashing the

wrinkled and restless patrons were more than willing to go elsewhere.

However, during the course of the evening, I saw several of my fellow-students, who were also seated in the reserved section, intimidated by the ushers. These students were not as resolute nor as firm as I was. I fail to understand why the common, vulgar,

bourgeois citizens of Asheville should have the choice of seats in a building owned by the students. And as long as I am a student at this institution, I shall not so much as budge from the seat of my choice.

— Wilber Oberforce

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