

Insurance Matters! with Insurance Commissioner Jim Long

Hello, I hope that the previous news columns have been instrumental in helping you to understand what's going on in your Insurance Department. Today, I am going to respond to a question that was directed to the Consumer Service Division of the Department of Insurance.

Recently, a consumer called the Department wanting to know if she could actually get high interest on an annuity or universal life policy as promised by her insurance salesman.

You could get it, then again you could not. All insurance consumers should keep in mind that with the decrease in interest rates in our country over the past several months the return on life insurance products that pay consumer interest, such as annuities and universal life products, will accordingly decrease. This is also true with many non-insurance investments such as certificates of deposit. Thus, if the insurance product that you have or the product that you are considering buying has a guaranteed minimum rate of return, you will receive that amount of money. Often such indicates what the insurance company hopes to be able to pay you. Projected rates of return and guaranteed rates of return are not the same and you should be aware of that. The use of projected rate of returns is universally used and should be utilized along with the guaranteed rate of return by consumers in their decisions to purchase.

You, as a consumer and owner of an insurance policy, have the right, at any time, to request from any company their current authorized rate of return on any products you have purchased. You should be wary of companies that hesitate for an extended period of time to provide you with this information. Also, ask for a history of interest payments on the type policy you are considering. For further information on interest sensitive insurance products, you may contact the Consumer Services Division of the North Carolina Department of Insurance.

I want to also share with you in future columns other phases of your Insurance Department and what we do, and I'll try to answer as many questions as possible in the column, and will promise you a written answer to every question.

Simply address your correspondence to: Insurance Matters! P.O. Box 26387, Raleigh, North Carolina 27611.

"Money Grows On Trees"

Many of us remember being told as we grew up, that "Money doesn't grow on trees!" However, times do change, so Craven County Agricultural Extension Agent Jim Holton suggests that it's a good idea to examine that advice more closely (with all due respect, of course).

Back around 1900, standing southern pine timber brought roughly \$1.85 per thousand board feet. Eighty years later, it sells for close to eighty times as much. That increase figures out to be more than inflation has been, Holton observes.

It's not easy to see trees grow, but they do increase in size as well as value. A managed stand of southern pines should accumulate an additional thousand board feet of volume each two to four years. This growth is worth \$25 to \$75 per acre each year. Other species such as white pine and yellow-poplar can grow as well on appropriate sites.

Not only do prices and volumes increase, but trees generally become usable for higher value products as they grow larger. While small trees might only be suitable for pulpwood, larger ones can be used for chip 'n' saw, and even larger ones for sawtimber, with high quality stems qualifying as veneer logs or poles.

One pine tree, for example, with a fourteen-inch diameter and three sixteen-foot logs would be worth about \$3.00 as pulpwood or \$6.00 as chip 'n' saw, but \$20.00 for sawtimber, and nearly \$25.00 as a pole or veneer stock. Trees are roughly seven to eight times as valuable for solid wood products as for fiber or chip products in most of North Carolina. That makes it particularly important to manage for, and merchandize, the highest value product possible, Holton notes.

Of course trees have additional benefits as a crop for landowners. To begin with, they do not have to be harvested each year. They may be "stored" on the stump until the owner chooses to harvest. Also, the value growth each year is not taxable until harvest; and properly conducted timber sales qualify for capital gains treatment so that income tax is only paid on 40 percent of the profit.



Bloodmobile

The American Red Cross Blood Services will be having its regular Bloodmobile the following dates:

Thursday, Aug. 28, 1988
12 noon til 6 p.m.

Friday, Aug 29, 1988
10 a.m. til 4 p.m.

The Bloodmobile will be at the AHEC Building behind the Emergency Room of Craven County Hospital.

The public is invited to donate blood and urged to bring a friend to donate also.

Due to the shortage of blood and blood products during the summer and vacation months, it is important that people are urged to "Give the Gift of Life". Blood donation is unselfish love for others.

Thank you for helping us so we may help others.

If you have a change of address, please notify us of your new address. The Post Office will gladly furnish you with a card for this purpose. Failure to do this cost us 30¢ for newspapers not delivered and in most cases we do not get your new address.

CP&L Wins Safety Award

Carolina Power & Light Co., has won an award in the National Safety Council's (NSC) Fleet Safety contest for public utilities.

CP&L, which serves customers in both the Carolinas, received the third place award based on the low number of vehicular accidents the utility experienced per million miles driven during 1985.

According to W.F. West, CP&L's manager of corporate safety, of the 40 electric utilities competing, the average number of accidents per million miles driven was 6.55. CP&L averaged 3.38 vehicular accidents for every million miles driven.

More than 1,800 cars, vans and trucks make up the CP&L

fleet. Employees who use the motor pool in the course of their jobs are encouraged to take a company-sponsored defensive driving course to help them avoid accidents, said West.

Avoiding accidents on and off the job is the primary focus of the National Safety Council, the non-governmental, non-profit public service organization which sponsored the contest. The group works through private citizens and associations to develop programs which increase and improve the health and safety of the American Public.

The NSC Fleet Safety honor carries with it a plaque which is displayed at CP&L's corporate headquarters in Raleigh.

CP&L serves 853,000 customers in central and eastern N.C., the Pee Dee region of S.C. and an area around Asheville in the N.C. mountains.

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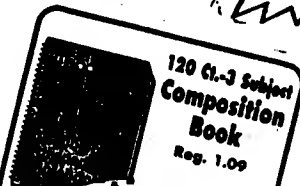
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