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Fredricksen Information Source

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ANNOUNCING:



Private Client Group

Happy New Year, and welcome to the newest edition of the "Source". This month we're happy to provide a little change of pace and feature a bold program that is now available on a whole new scale; AIG Private Client Group.

AIG Private Client Group is an exciting all-inclusive program specialized in meeting the needs of high net-worth clientele. Over the next few pages you'll find a little of everything that you should know about this exciting program. So whether you have a specific client in mind, or you would like a new product in hand while prospecting, you should take a look.

You can now visit www.fredricksenins.com for an all-new homeowners page and printable versions of present and past newsletters in our archives. Enjoy...

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Imagination is more
important than knowledge.
Knowledge is limited.
Imagination encircles the
world.

-Albert Einstein

Getting Acquainted with AIG:

Who is AIG?

American International Group (AIG) is the world's largest insurance company based on market value, and the leading U.S. based international insurance and financial services firm.

AIG has \$776 Billion in assets, and is ranked highly by many notable sources:

- #10 on the *Fortune* 500 list (Revenue)
- #20 on the *Fortune* Global 500
- #4 on the *Forbes* 500 Super 100 List

This sort of notoriety and recognition are not easy to come by, and illustrate why AIG is the world's leading insurance company.

AIG consistently holds the

highest ratings from the principal rating services and writes approximately \$5 billion of personal lines insurance in more than 130 countries and jurisdictions throughout the world. Above all else, AIG's size indicates a stable

foundation that allows it to write business that is beyond the scope of most other insurance carriers.

For AIG's ratings among those of its competitors, please see the table below:

<u>Company Name</u>	<u>Standard & Poor's</u>	<u>Moody's</u>	<u>A. M. Best</u>
AIG	AAA	Aaa	A++
Allstate	AA	Aa2	A+
Chubb P&C	AA-	Aa1	A++
CNA	A-	A3	A
Fireman's Fund	AA-	Aa3	A
State Farm	AA+	Aaa	A++
Travelers	AA-	Aa2	A++

This financial strength provides your client with unmatched worldwide coverage options as well as unparalleled coverage limits.

What is the Private Client Group?

Do you have need for a comprehensive insurance portfolio that your high net-worth clients can not outgrow? The AIG Private Client Group (AIG PCG) is what you've been waiting for.

The Private Client Group offers a flexible portfolio that aims to cover all of your insured's Property and Liability needs, while giving more discounts with each risk written.

In order to consider coverage, at least 3 lines must be written, and the primary residence must

exceed \$1 million in replacement cost. Once the basic criteria are met, the remaining international services can be obtained.

Since AIG Private Client Group deals with such a select few homeowners, they have the ability to provide a flexible collection of insurance products that can be customized to your client's unique needs. AIG PCG also prides itself on concierge-level customer service that is second to none.

In addition to their

extensive array of insurance products, AIG Private Client Group offers risk-management services for the client, their home, and their property that offer convenience as well as peace of mind.

Over the next few pages we will outline some of the coverages and services available through AIG Private Client Group, as well as explain how your agency can get involved. If questions arise from any topic, please do not hesitate to contact Mark or Rachel.

AIG Private Client Group Coverages

High-Value Homeowners

AIG Private Client Group formulated their homeowners policy with the knowledge that every high-value home has coverage needs that could not be met by an off-the-shelf homeowners policy. With this in mind, AIG PCG created the most comprehensive homeowners policy that is available for multimillion dollar homes. Subsequently, this policy became AIG's standard of eligibility for their other specialized policies and services.

The primary requirement to be eligible for the AIG Private Client Group's program is that the primary residence must have over a \$1 million **replacement cost**. Any secondary residences may be written as well, but can be lesser in value.

A few points that set aside AIG Private Client Group's Homeowners Policy:

- Additional 100% Extended Replacement Cost (ERC)
- Additional Living Expense not limited by time or amount
- Contents covered for breakage
- Coverage for contents damaged by domestic pets
- Increased costs to rebuild due to building codes are included within the additional 100% ERC
- Debris removal not limited
- High deductible options up to \$100,000
- High limits of coverage
- Ability to write multiple policies on one billing statement

While the home's value is a significant underwriting guideline, it is the only one that is concrete. Aside from the home's value, all other variables are looked at on a case-by-case basis. This means all protection classes and construction types will be considered.

In the event of a claim, all homes are given **Extended Replacement Cost** in the event that it costs more to rebuild the home than the policy limit states. Window by window, tile by tile, the house will be restored to the exact condition it was in before the damage occurred. The insured also has the option of receiving a full cash settlement without obligation to replace or repair the damaged property.

Other Available Coverages:

Autos

AIG Private Client Group's auto program allows your client to combine classic, antique, and exotic vehicles with all regular use vehicles on the same policy. Also included with the regular use vehicles are motor homes, motorcycles, and non-registered vehicles.

In the event of a claim, the insured can use a repair shop of their choice, and can take advantage of the \$5000 rental car reimbursement.

Collections

AIG Private Client Group has devised a Private Collection coverage as varied and flexible as your clients' collections themselves.

Whether your client collects fine art, jewelry, antique furniture, or vintage wine, AIG PCG can customize coverage to your clients unique exposure. Automatic coverage is given to all recent purchases, and there is no charge for most out of vault transactions.

Excess Liability

Excess Liability coverage protects against any insufficient limits within your client's multiple policies that can leave them vulnerable.

With some of the highest limits on the market, AIG PCG offers limits up to a staggering \$100 million.

The insured will have access to AIG's prestigious list of panel counsel, and will receive Employment Practices Liability for Domestic Staff.

Additional Products & Services

Other Available Coverages:

Air/Watercraft

From small sailboats to “mega-yachts”, from single-prop leisure planes to helicopters and Lear jets, AIG Private Client Group has a coverage to meet the needs of your clients. Policies can cover total ownership or a fractional interest.

High limits of coverage are available with protection for hangars, airstrips, and helipads.

Policies are intended for individuals or corporations with experienced pilots or crew.

Earthquake

AIG Private Client Group offers a variety of high-limit earthquake coverages that offer total earthquake protection to your client’s homes and belongings.

The basic earthquake coverage is available to all AIG PCG insureds, and can have varied deductibles.

AIG PCG also offers a Broad Form that is limited to the ultra high net-worth client in good standing. This form offers much higher contents limits at more competitive rates.

Basic & Excess Flood

AIG is in the process of unveiling their new flood coverage across the nation as a replacement for the standard NFIP. The policy will cover the replacement cost of the home and will reimburse additional living expenses. Coverage is currently available only in CO, IL, and MA, and can be written in B, C, and X flood zones.

Excess flood coverage provides for any discrepancy between NFIP limits and loss incurred. Contents are based on ACV.

Concierge-Level Services

Art Collection Management

Whether your client is in need of their own private curator, or simply help in finding a capable restoration facility, AIG Private Client Group is a valuable resource.

A few of the duties performed by AIG PCG’s Art Collection Management team include:

- Performing facility inspections and supervising installation.
- Arranging packing and transport
- Selection of best-in-class third-party vendors

They can even help select lighting to best display your client’s works of art. AIG PCG’s experienced professionals are an irreplaceable asset to the art-loving client.

Personal Security

One of the first elements in preventing a loss, is to limit the exposure of the individual client. The personal exposures that can be protected by AIG Private Client Group include:

Identity Protection

Advice is given on limiting personal risk to identity fraud and electronic theft, as well as protection for home computer users.

Employee / Vendor Background Screening

Provides employment/financial/criminal/driving histories as well as professional or educational authentication.

Travel Safety/Advisory

Access to a global database that provides security guidance for 300 cities in 120 countries.

Residential Services

Rather than being limited to reimbursement in the event of a loss, AIG Private Client Group has a variety of services that can help prevent a loss from occurring.

AIG PCG specialists are on hand to help with the selection of disaster prevention measures ranging from storm shutters to a pre-incident plan with the local fire department.

An extensive home appraisal is also complimentary to ensure that your client is fully protected in the event of a claim. An itemized appraisal also expedites the claims process.

AIG PCG can also aid in the selection of a security system best suited to your insured’s homes.

AIG Private Client Group Claims Information:

You can earn a client's business by having a good product at a good price, but you keep a client by handling claims well. AIG Private Client Group aims to exceed the already high expectations of your high net-worth clientele by providing the following services:

- All new losses will receive a response within the same day of report
- Policyholders facing an immediate crisis will be contacted within one hour, regardless of time of day
- Inspection of property damage will be conducted within 48 hours of the claim's initial report.
- Payment of first party claims will be made within 48 hours--following satisfactory documentation of loss and agreement on damages.

The AIG PCG claims department also offers unparalleled flexibility with the handling of each individual claim in order to find the solution most appropriate to your client's situation.

To better illuminate the AIG PCG claims process, here are some testimonials from individuals who have first-hand experience:

"Unbelievable! Best claims experience ever! Made an unpleasant accident a tolerable and easy to deal with experience. Everyone would be wise to have AIG Private Client Group insurance. Thank you for everything!!"

—Oceanport, NJ

"I could not be more pleased as to how my claim was handled. As an agent representing and selling the AIG Private Client Group program, I can only say that our clients will be endeared to us if their claims are handled in the professional manner that my claim was expedited. Thank you."

— Rochester, MI

Of the 2000 claimants in 2003, 86% AIG PCG clients rated their claim experience as "Exceptional", while less than 1% found their experience to be "Unsatisfactory". AIG Private Client Group's claim satisfaction consistently remains high because of their drive to focus on the individual circumstances of each claim, as well as the specific needs of each client.

Getting Involved with AIG Private Client Group

Since AIG Private Client Group is so selective in determining which clients do or do not qualify for coverage, it is only fitting that they are equally selective in admitting brokers.

While your agency is already appointed with Fredricksen Insurance, you will need to submit an additional application in order to be approved to do business with AIG Private Client Group. Acceptability is based on a variety of factors.

Brokers, as well as prospective insured's will be subject to a background investigation. The brief inquiry will be carried out by AIG, and will determine acceptability for admittance into the program.

While these extra steps may seem excessive, they are reasonable when you consider how much is at stake for AIG Private Client Group in providing coverage for the large risks in which they specialize. It is through determining the stability of their prospective brokers and insureds that AIG Private Client Group is able to keep rates as competitive as they are.

If you think you and your clients may qualify to take advantage of AIG Private Client Group, please contact Mark or Rachel for more information. They will be your source for all of the pertinent forms and applications necessary to get your agency underway.

For more information on AIG Private Client Group, call Mark or Rachel at (800)669-4347, or visit www.fredricksenins.com.



THE PRESIDENT'S CORNER

We are truly honored to offer you a program as tremendous as the AIG Private Client Group. Many of you have already experienced the flexible underwriting and aggressive pricing structure which makes this an unbelievable program.

The depth and scope of the AIG PCG program is all-inclusive, aiming to write all of the personal lines exposures that your highly affluent client might have. Each policy creates a credit which is applied to every other policy. This establishes increased retention for your agency as well as additional revenue.

We are extremely pleased with our relationship with AIG, and will continue to produce a high

quality of business in this program. That doesn't mean, however, that only producers with large books will be accepted. Rather that any broker with a qualifying account will be considered.

We now have a special section

on our website for this program, so you may want to check it out. With information on coverages and services, it will be well worth the small investment of your time.

I look forward to your direct inquiry concerning this fine program.

NEW CONTEST!

A \$25 gift certificate for Best Buy or Barnes & Noble to any broker for **every** new AIG policy bound in the months of February or March.

We're starting off the year with a bang, rewarding your efforts to get involved with AIG. You send us a bind order, we send you a gift certificate, it's as easy as that!



Good Luck!

Check here next month for more updates and monthly specials.

Fredricksen Insurance Services, Inc.

Phone # (800) 669-4347

(951) 929-5845

Fax # (951) 929-3574

Open Mon-Fri, 7 am - 4 pm PST

www.fredricksenins.com

Department	E-mail Address
Administration	markf@fredricksenins.com
Mortality	davidh@fredricksenins.com
Homeowners	rachel.hindle@fredricksenins.com
Farm/Ranch	laureenj@fredricksenins.com
Accounting	deniseu@fredricksenins.com
Marketing	billf@fredricksenins.com

Happy New Year, Everybody! Well, the holiday season is over and it's time to get back to work. One can only be so jolly, right?

I hope you've all found this newsletter informative. If you have any questions, would like to see something discussed, or would like to be removed from the mailing list, please e-mail me at billf@fredricksenins.com. Thanks for reading...



Fredricksen Insurance Services., Inc.
1600 E Florida Ave
Suite 208
Hemet, CA 92544

If you have any questions concerning the AIG Private Client Group, e-mail Mark at markf@fredricksenins.com.