

Fredricksen Information Source

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In This Issue:

Home Sweet Home 2

- Tips to Avoid a Winter Fire
- Homeowner's FAQ's

Straight From the Horse's Mouth 3

- What Should Be Reported as a Claim?
- Two Misconceptions about Livestock Mortality

Stable Times 4

- How to Properly Fit a Helmet

Tell Us What You Think 4

From the President's Desk...



Here we are half way through the first quarter of 2007. It seems as though we've just settled our year end calculations. In any event, we have some very aggressive production goals for all of our carriers in 2007. The net result of such targets are increased service abilities, expanded product offerings and a stable commission for your agencies.

Those of you appointed for the AIG program will see a tremendous increase in our

servicing of these premier accounts. We are going live and will be able to process business in a more efficient manner. Additionally, we will be introducing a business builder for your accounts at no cost to you! You will get the details by the end of February. We are excited to offer this added benefit for your agency. I am sure you will see an increase in business through this program. If your agency has a need for a high net worth program, give us a call, we'd love to hear from you.

More good news on the horizon... Keep in touch, you'll be glad you did..

Thanks, Mark

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Where the determination is, the way can be found.

-George S. Clayson

Home Sweet Home

Homeowners Department with Rachel Hindle, Underwriter

A Few Tips to Avoid a Winter Fire.

Did you know that the leading cause of home fires within the months of January, February, and March is heating equipment? While space heaters may be more energy efficient than central heating, they can also put your clients and their homes in danger.

The following are a few recommendations that you can make to your clients to help make the winter months safer:

- Hire a qualified technician to install and service their heating equipment.



- Have a professional inspect and clean their chimney, especially when using wood or coal as fuel.
- Space heaters should be kept 3 feet from anything that can burn.
- When leaving a room or going to bed TURN OFF portable heaters.

- A portable heater should shut off automatically if tipped over. If it does not then replace it with a newer model that does.
- There should be adequate ventilation available when using gas-fueled devices.
- Follow the instruction manual when operating heating devices.
- Keep children away from heaters.
- Keep combustibles in your home to a minimum.

For more information on avoiding fires this winter, contact your local fire department.

Homeowners FAQ's

Can we quote a high-value dwelling without other lines of business?

No. In most circumstances, at least 3 lines of business are needed.

Writing the dwelling alone is acceptable only when the dwelling in question is still in escrow, in which case the insured would be required to add further lines within 30 days of binding.

Can we write an older home with only a few renovations?

To be eligible for coverage without renovations, the house must be less than 20 years old.

If older, we will require a current inspection report showing the renovations that the house *does* have and that the house is in good condition.

Can we quote Actual Cash Value on Homes or Farm dwellings?

No. While ACV could save your clients nominal amounts on their premiums, it would leave them inadequately protected in the event of a loss. As a result, we only quote Replacement Cost Value on all dwellings.

Straight from the Horse's Mouth

Livestock Mortality Department with David Hindle, Underwriter

What Should be Reported as a Claim?

Many customers, in hopes of keeping their premiums low, will decline to report minor claims, and instead pay for any medical attention out of pocket. For example, if their horse receives a scratch from running through a fence, if they don't have Major Medical coverage they might opt to call their Vet and call it a day. Unfortunately, if the horse were to become seriously injured as a result of the initial injury (in this case, from infection) failing to report the initial injury would put the insured's compensation in jeopardy.

Regardless of whether or not Major Medical is purchased, the insurance company requires full disclosure of all injuries and illnesses that occur during the course of the coverage. They require all pertinent information so that they can properly verify that the horse received all of the



treatment available that would help avoid the horse's death.

In general, here is a good rule of thumb: if

your client needs to call a veterinarian, they need to call the policy's carrier.

Your client shouldn't worry: the need for disclosure isn't a tool for the insurance company to raise rates. In fact, claims will have no bearing on the renewal premium.

The horse in our example would most likely be eligible for Major Medical the following year as well (assuming it was already eligible). Instead, the company may require an exclusion for the

preexisting condition on the mortality policy and any endorsements in the following policy term; including Major Medical.

Call the carrier's claims department to report any injuries/illnesses whenever there is any doubt. It may take some more time than calling the vet alone, but your insured puts themselves at risk when they don't.

We strongly advise that you notify your insured of their obligation to report all problems to the carrier. After all, it ensures they are not caught unaware, and neither are you.

Claims service contact numbers can be found at www.fredricksenins.com. If you have any further questions, call or e-mail David for more details.

Two Misconceptions About Livestock Mortality

Although many of our producers have done business with us for quite a while, it is easy for our producers (both new and old) to fall into some simple misconceptions about this unique coverage.

The first is that only the very expensive horses are insurable. The truth is, we insure many horses at or around the chosen carrier's minimum premium. For most people, shelling out \$5000.00 for a new horse or



being saddled with a large vet bill is not affordable. Mortality & major medical is a simple solution for a large range of

equine values.

The second is, as a producer you have to know a lot about horses. You don't have to know much at all, because we can walk you through the process. Even if you don't know the difference between an andalusian and an appaloosa, you will be surprised at how easy this product is to sell. You will feel at ease in no time !

