

Fredricksen Information Source

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From the President's Desk...

As we draw to the end of the first quarter of 2007, I need to know:

How are we doing? Evaluate us! Let me have it!

What do we do wrong?

What prevents you and your agency from placing more business with us?

What would you like to change?

How can we better serve your needs?

What product line could we offer that would significantly impact your agency?

How do we compare with our competitors?



That's it, let me have it! For each response, I will donate \$10.00 to a local equine assisted therapy program. Come on, make me pay big time!

Thanks for the tough love!

Mark

Our Business Hours Have Been Changed to 7:00 AM to 4:30 PM, PDT

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If it's sanity you are after there is no recipe like laughter.

-Henry Elliot

Home Sweet Home

Homeowners Department with Rachel Hindle, Underwriter

AIG PCG Flood: Newly Enhanced

Since 2004, AIG Private Client Group has provided superior Primary Flood coverage as part of their Homeowners policy in CA, CO, CT, IL and MA. We are pleased to announce they have made several enhancements to their Primary Flood coverage, which are currently available to Homeowners policyholders in CO, CT, and IL. The following changes will also be taking place in AIG PCG's other flood-eligible states soon.

ENHANCEMENT HIGHLIGHTS

- Increased limit or Extra Repair Expenses required by law or ordinance to \$75,000
- Increased limit for loss avoidance measures, such as the purchase of sandbags, to \$10,000
- Eliminated special limits for fine collectibles, such as jewelry, antiques, and furs.
- Removed exclusion for eight other permanent structures — including spas, decks, patios, fences, underground structures, etc.
- Increased limit for business property to \$25,000 — an industry high

- Increased limit for Additional Living Expenses to \$250,000 (for up to one year)
- Eliminated sub-limit for real or personal property in a basement
- Eliminated sub-limit for basement/real property improvements
- Added up to \$25,000 to cover the costs associated with obtaining an engineering report to determine safety and, if required, to oversee demolition of residence and other permanent structures
- Removed the exclusion for tsunamis

Homeowners policyholders in the eligible states continue to benefit from existing coverage features, such as:

- Flexible Deductible Options — from \$500 to \$100,000
- No sub-limit for property removal for safekeeping — an industry high
- No sub-limit for fire department charges
- No sub-limit for precautionary repairs
- No restriction for non-owned debris

For more information, and when specific states will receive flood enhancements, contact Cindy.

Have you ever wondered?

Why do you have to “put your two cents in,” but it’s only a “penny for your thoughts”?

Why are you “in” a movie, but you’re “on” TV?

Why do people pay to go up tall buildings and then put money in binoculars to look at things on the ground?

If the professor on Gilligan’s Island can make a radio out of a coconut, why can’t he fix a hole in a boat?

How is it that we put a man on the moon before we figured out it would be a good idea to put wheels on luggage?

Do the “Alphabet” song, “Bah, Bah, Black Sheep” and “Twinkle, Twinkle, Little Star” have the same tune?

Why did you just try to sing the three songs above?

***Our Business Hours
Have Changed!***
***We will now be open from
7:00 AM to 4:30 PM, PDT***

Straight from the Horse's Mouth

Livestock Mortality Department with David Hindle, Underwriter

You Have Questions, We Have Answers.

What are the main differences between the mortality policies from Great American and American Equine?

Aside from minor differences in rates, there are basically two major differences between the companies policies:

First, Great American offers a billing option whereas American Equine does not. While Fredricksen Insurance can offer financing options for mortality policies, Great American's Choice-Bill tends to be more cost-effective.

The second difference of note, is that American Equine provides Emergency Colic Surgery automatically for all qualifying horses, whereas Great American will only cover emergency colic surgery if the Major Medical or Surgical endorsements are purchased.

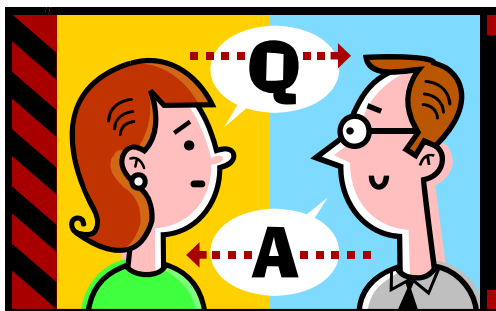
We haven't received our equine mortality policy yet. How long does it take?

Your client can generally expect to receive a Great American policy 2-4 weeks after they receive the completed bind order and down payment.

Your American Equine policies will often be sent to you within 2-3 weeks of the initial faxed bind order.

My client's horse had colic surgery last year. The horse is healthy now, but will there be an exclusion? If so, how long before the exclusion can be removed?

Generally, if the horse had colic surgery that did not require a resection, the mortality exclusion can usually be lifted after a year if there are no reoccurrences. If a resection was necessary, the mortality exclusion will remain in place for the life of the horse.



How do I request to bind coverage after receiving a quote?

A simple e-mail or fax requesting coverage to be bound is all that is needed. Original paperwork and down payment (when applicable) is needed within 30 days.

How much is the required down payment for Great American policies?

A 25% down payment is necessary for all new business and renewals on Choice Billing.

What is the easiest way to get a quote without completing an application?

Call David and have the following information at hand: The horse's breed, age, use, sex, and value.

Can a Major Medical endorsement be added mid-term?

Yes, the endorsement can be added mid-term, but a current and clean vet exam will be needed. All costs will be prorated and the endorsement will expire with the mortality policy.

Does my mortality policy cover gelding surgery?

Gelding surgeries are not considered life saving procedures, so they are not covered under the mortality or medical coverages. Death as a result of the surgery, however, can be added to your policy for an additional fee. In the event that a surgery is necessary for the survival of the horse, the surgery is covered.

If you have any questions that you would like to see answered here next month, e-mail Bill at billf@fredricksenins.com.

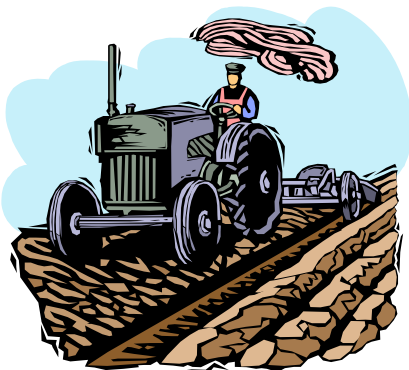
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**Farm/Ranch Department with Cindy Melcher,
Underwriter and Vice President of Agency Operations**

Stable Times

Spotlight on Custom Farming

Custom farming is an arrangement between a farm owner and a private contractor who is paid to plant, service, and harvest a crop. In general, the custom operator agrees to perform all of the machine operations on the farm owner's land for a set fee or a percentage of the crop. Similar arrangements are common when a farmer's machining capacity is significantly greater or lesser than the amount of land he farms.



A large financial investment is generally required of the farmer since they are responsible for buying the seed, fertilizer and other production necessities. However, these up-front costs would be assumed by the farmer even if he was to raise the crop himself.

The primary disadvantage of a custom farming operation is that the farm owner may have difficulty in dictating the timeframe under which the work will be done. In general, the operator will work multiple crops, and whichever he has the largest interest share in will be worked first.

In order to simplify liability, the custom farming contract can clarify that the current operator is an independent contractor, not an employee or tenant of the owner. However, the custom farm owner and operator should both check with their insurance agents to verify that their exposures are covered.

Tell Us What You Think...

I'd like to hear your thoughts, whatever you might have to say. Just leave me a note on the space provided. If you'd like to hear back from me, leave your name and contact information on the bottom. If not, I'm happy to receive anonymous comments too.

You can reply via fax at (951)929-3574, e-mail at markf@fredricksenins.com, or mail this page to me at Fredricksen Insurance Services, Inc., 1600 E. Florida Ave. Suite 208, Hemet, CA 92544.

Thank you for your input,
Mark D. Fredricksen
President

Dear Mark,

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