

Fredricksen Insurance Svcs.
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Fredricksen Information Source

Volume 1, Issue 3

June 2004

Fresh News From FIS

Welcome to the third issue of the "Fredricksen Information Source". We're happy to announce a new company this month and a hint of one that's soon to come. These additions are due, in part, to the overwhelming requests we've had for these specific programs. You asked for it - we gave it to you.



This month we're also happy to unveil the newly redesigned FIS website at www.fredricksenins.com. We've rebuilt the website from the ground-up, and in the process, have added even more information for you to access. Take a look today: hopefully you'll enjoy it as much as we do.

After the numerous responses to a future Farm/Ranch seminar, we are looking into giving continuing credit to agents outside of CA. We hope to have a final announcement in the next newsletter.

As always, you can find a printer-friendly version of current and past newsletters on the FIS website. Enjoy.

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Please note that on July 1st our area code will change from 909 to 951.

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Patience:

Everything comes to him who hustles while he waits

-Thomas Edison

On the Home Front

Homeowners Department with Rachel Hindle, Underwriter

UCLA Scientist Predicts Earthquake

Mathematical geophysicist Vladimir Kellis-Borok and UCLA's Institute of Geophysics and Planetary Physics think they have found the "holy grail" of earthquake science: they can predict earthquakes. While this breakthrough lends excitement within the scientific community, it creates nervousness in Southern CA now that they have predicted another.

Kellis-Borok and his associates have predicted that an earthquake with a magnitude of at least 6.4 on the Richter Scale will hit

Southern CA by September 5. The target area extends from the southeastern portion of the Mojave Desert to the south, reaching the Palm Springs area. While the target is large and the science is **not** 100% accurate, the prediction is not without foundation.

The institute's most recent predictions include San Simeon CA's 6.5 earthquake in December 2003, and the 8.1 earthquake in Hokkaido, Japan in September 2003. Overall, the success ratio of the team is close to 90% of

those fault areas studied.

If this prediction is accurate, it will be the first time that Southern CA has had the opportunity to prepare for one of the largest local natural threats.

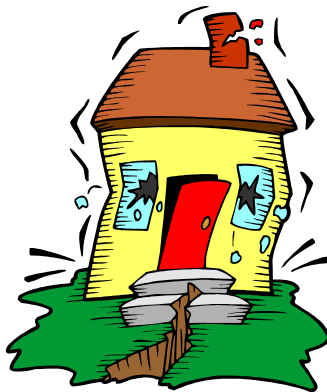
For more information on the prediction, go to UCLA's article at <http://college.ucla.edu/keilisborok.htm>. For info on what you can do to prepare for an earthquake, visit the Federal Emergency Management Agency at <http://www.fema.gov/hazards/earthquakes/>.

On Firm Ground: Earthquake Protection

No amount of preparation can prevent an earthquake from occurring. The best way to prepare for natural disaster is to minimize risk, and provide your customer with an ample opportunity to rebuild after the fact.

Common policies cover the home repairs, any contents that were damaged in the quake, and loss of use.

Earthquake coverages can be added to most Home Owners policies. The cost of this addition, can easily equal



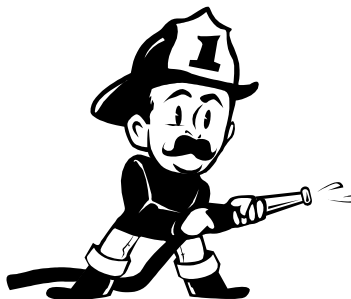
or surpass the premium of the original policy. The coverage level included in these generally leaves something to be desired, as well.

A more comprehensive stand alone policy can be purchased through Pacific Select Property Insurance Co. or Geovera Insurance Co. Stand alone programs offer a more specialized product at half the cost in many cases.

For more information on available earthquake packages, contact Rachel.

ATTENTION: NEW MARKET ON THE HORIZON

Agents: it's time to knock the dust off of your mobile home apps and get warmed up for dwelling fire. Effective July 1, FIS will have a new carrier to handle the risks that you've been having problems placing. We will also be broadening our Homeowners coverages beyond our current limitations.



We are still in the process of hammering out all of the product details and state availability, and we are making progress every day. As soon as we have final word on the new programs available to you, we will send out an announcement to keep you up to date.

**Want to start July with a bang?
Turn to page 5 to see how.**

Straight From The Horse's Mouth

Livestock Mortality Department with David Hindle, Underwriter

Who Needs a Justification of Value?

One of the major factors in the underwriting process is accurate value determination. Since a horse's value can fluctuate over its lifetime through experiences such as training and performance, current evaluation is essential.

The primary purpose for up to date justification of value is to keep up with those changes in value that may occur from the point of purchase. The following are a few variables that should be considered when determining the value of your insured's horse.

- Purchase Price

A good place to start. If the insured price is far from this, additional documentation might be required.

- Training

The name and location of the training facility, and cost of training up to date.

- Competition/Show Records

- Race Standings/Winnings

- Breeding History

Past stud fees. Cost and performance of foals.

- Current Appraisals

- Future Breeding Expectations

Current stud fees. Number of mares booked this season.

- Market Comparison

What would be the replacement cost?

This is just a general guideline for things to take into account when evaluating your coverage needs, as requirements vary by carrier. Justification of Value forms are available on the web at www.fredricksenins.com. For more information, contact David.

New Mortality Market: ICH

Just in case you missed the original announcement, we would like to take this opportunity to introduce the

newest addition to our stable of carriers: Insurance Corporation of Hannover.

ICH has earned an "A" rating from A.M. Best, and has offices

insurance corporation of
hannover

from Los Angeles, CA to Charlotte, NC. Through ICH we are able to provide a new combination of services for your client. Options include:

- **Emergency Colic Surgery**
- **Guaranteed Renewal Coverage (Major Medical Inclusive)**
- **Payment Plans Available**
- **Discounted Rates Available**

For more details on our new mortality package with ICH, call David.

Livestock Mortality FAQ's

Who should I call with claims or billing questions?

Great American Insurance Co.

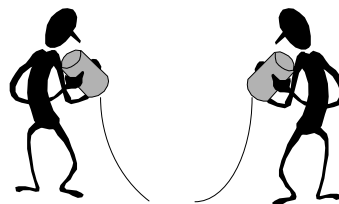
- Claims (800)331-0211
- Billing (800)847-4357

American Equine Insurance Co

- Claims processed by National Equine Adjusting Inc. at (800)783-9418

- For Billing Questions, Call Denise

For questions regarding our other carriers, call David.



My insured's horse had colic surgery. Will there be a colic exclusion on the mortality policy?

Generally, if the colic surgery involved a resection, there will be an exclusion for the life of the horse. If no resection took place, applications will be reviewed on an individual basis with a vet statement.

If you have any questions you would like to see in the next newsletter, e-mail David or Bill

Farm/Ranch Department with Laureen Jordan, Underwriter

Stable Times

What is an Equine Activity Law?

Part II

In the 44 states that have enacted them, Equine Activity Laws have enacted protections for equine professionals against frivolous lawsuits. In "Part I" we covered what is seen as "inherent risk" to be considered under most statutes (for a copy of the last newsletter, visit www.fredricksenins.com).

Equine Activity Statutes, while offering broad protection, are not without exclusions. Many common equine accidents are caused by factors that are not due to the inherent risks of equine activity, and are therefore **not** covered by Equine Activity Laws. Many states' legislatures will outline what some of those unprotected risks may include. While every state has its own criteria, Tennessee (a common example) has specified that the equine professional can be held liable when he/she:



- A.** provided the equipment or tack, and knew or should have known that the equipment or tack was faulty, and such equipment or tack was faulty to the extent that it caused the injury
- B.** provided an equine that was inadequately matched to the rider's stated or perceived riding ability, and the equine was unmanageable with the rider's skill
- C.** owns or leases the land or facilities upon which the participant sustained injuries because of a dangerous latent condition which was known to the equine activity sponsor and for which warning signs have not been conspicuously posted
- D.** intentionally injures the participant.

What does this mean to me?

Though I have used legal examples, this article was in no way meant to explain legality in your particular states of business. We recommend that you find your state statute at the Farm/Ranch page of www.fredricksenins.com and discuss with your insured's lawyer. Many states will require that your insured post signs with specific wording in order to meet statute requirements. Most states also require a signed release waiver or Hold Harmless Agreement. We recommend the use of a Hold Harmless Agreement in all cases in order to simplify liability, but all waivers should first be seen by your insured's lawyer to verify legality.

For more information on Hold Harmless Agreements and Equine Activity Laws, contact Mark or Laureen.

What Will We Write?

A We are frequently asked what types of accounts we can write, so we thought we could give you some examples.

S For specific inquiries dealing with state availability or coverage options, go to our Farm/Ranch department page at www.fredricksenins.com.

These are some of the accounts we write:

- e**
 - A Gentleman Farm in NJ \$5,535
- o**
 - An Equine Training and Boarding Facility in WA \$2,983
- f**
 - A Dairy Farm with Auto in CA \$59,318
- R**
 - Small Cattle Farm with Incidental Hay in OR \$988
- a**
 - A Citrus Farm in CA \$1,654

n These are just a few examples of the services available to our agents every day. With these, and other similar packages we are able to create an insurance portfolio best suited to your insured's needs. For more details on available packages for your insured's farm or ranch, call Laureen or Rachel today.

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THE PRESIDENT'S CORNER

As we approach the summer months, a few things come to mind - the beach, vacations and regretfully, the fire season throughout the west. While we have been forced to live through these every year, our drought conditions have lengthened the season and increased the dollars at risk.

We should all help our clients be aware of the importance of clearing combustible material from, on and around their properties. They should also provide a defensible space for firefighting equipment to be set up. If the firefighters can't get in, they can't put the fire out!

If you have any questions that you would like to have answered in the next issue, e-mail Mark at markf@fredrickseninins.com. All questions will remain anonymous.

Contact your insured's local Fire Department, and have them inspect the property, making sure wells have approved stand offs and are cleared semi-annually. Recommend that the insured plant noncombustible landscaping,

and clear all weeds and debris.

We may not be able to prevent the fire season, but with a little prevention now, we can increase our insured's odds of weathering the storm safely.

CONTEST!

To show how much we appreciate your hard work, here's your chance to get something back from Fredricksen Insurance Services. Now that we have a new market, this Month's incentive is:

A \$25 Barnes & Noble gift certificate to any agency that brings in 5 qualifying Home Owners new business apps for the month of July.

Good Luck!

Check here next month for more updates and monthly specials.



Underwriter Spotlight: Lauren Jordan - Farm/Ranch

Lauren has been in the insurance industry for the past sixteen years, and is our primary Farm/Ranch underwriter.

Lauren holds the designation of Certified Insurance Service Representative from the National Alliance for Insurance Education & Research. This designation signifies Lauren's dedication to staying one step ahead of market updates and informed in what services best meet the needs of your clients.



I hope you enjoyed reading the third installment of "Fredricksen Information Source" as much as I enjoyed putting it together.

As always, if you can think of anything you'd like to see in the next issue, or if you would like to be removed from the distribution list, e-mail me at billf@fredrickseninins.com. Thanks for reading.



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