

Fredricksen Information Source

Volume 1, Issue 5

August 2004

Moving Along With FIS

Welcome back to the Fredricksen Information Source.

Packed in this issue, you'll find more information than ever, as we highlight our **new dwelling fire program** and discuss today's biggest threats to your insured's horse and home.

In this issue we also highlight **Care, Custody or Control**, a coverage that is often needed, yet often overlooked.

In case you haven't seen it yet, the FIS website has been dramatically redesigned to include information on all of our carriers, packages, and product availability for all states. As always, our website is a great resource for all applications in printable versions. On our new website you will also be able to find an easy-to-print adobe (.pdf) version of past and current newsletters. All of this information can be found by clicking your way to www.fredricksenins.com... Enjoy.



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Please note that our area code has changed from 909 to 951.

CONTEST!

Congratulations to all of last month's winners who discovered that Barnes & Noble's books and CDs ship much better than their Café Lattes.

Want to get in on next month's contest? Here's the details:

A \$50 gift certificate for Best Buy or Barnes & Noble to any broker who binds 5 policies with Insurance Corporation of Hannover throughout the month of September.



Vacation:

- A period of travel and relaxation when you take twice the clothes and half the money you need.
- No man needs a vacation so much as the person who has just had one.
- The bigger the summer vacation, the harder the fall.

-Charlie "T" Jones

On the Home Front

Homeowners Department with Rachel Hindle, Underwriter

Back by Popular Demand: Dwelling Fire

Dwelling fire, one of the most sought after policies in CA, is now available with American Reliable Insurance Co.. ARIC's policy will protect your insured from the damages to the home. Risk placements are available for duplexes and rental units among others. Varying deductibles are available from \$500 to \$5,000.



Our new Dwelling Fire coverage is available throughout CA with few excluded areas. For more info on Dwelling Fire Coverage, and placement outside CA, contact Rachel for details.

For a follow-up to last month's contest, and details of next month's, return to Page 1.

The Underinsurance Problem

Now that CA residents have entered the fire season, the homeowners market has entered it's own "claim-season", and it becomes more vital than ever that your customers are adequately insured.

According to the WIAA Weekly bulletin, Issue No. 1,482 from July 19, "As of last year, according to a survey [by Marshall & Swift/Boeckh], 64% of homes in the U.S. were underinsured by an average of 27% last year. In 2001, the problem was worse, as an M&S/B survey found that 73% of homes were underinsured by an average

of 35%." Coverage deficiencies have negative consequences for the insured and agent.

A common source of underinsurance is an inadequate assessment of the home's rebuilding cost. Often, such mistakes stem from the use of a quick-quote type survey rather than a full-length questionnaire to determine the home's replacement cost.

In order to replace a house from the ground up with the same materials and craftsmanship used originally often requires more than a square-foot multiplication.

Replacement cost varies with every region, and every house. The original amount paid for the house is an insufficient means of cost estimation, and all improvements must also be taken into account.

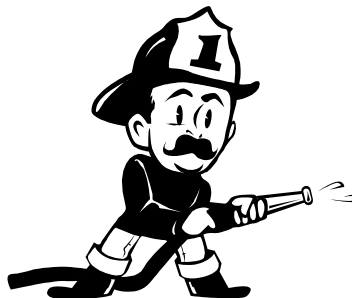
Many homeowners who suffered losses in last year's fires are now suing their agents and carriers because they were not adequately covered. In order to keep your client or yourself from becoming a like statistic, take however long is necessary to ensure that your client's needs are met.

If you require a referral, let us know.

Firefighters give advice that could save your insured's home

As the fire season draws near, the California Department of Fire, CDF, recommends a small step that could save your insured's home: Clearing brush. The fire that ravaged San Diego County last year claimed 2,232 homes and 14 lives, and could have been restrained by clearing the brush from around residences and vacant lots.

Firefighters have limited resources with which to fight fires, so anything that can be done to cut-back the amount of fuel that a fire has to consume will help.



CDF recommends a 30 foot clearance around all residences and all lots less than 5 acres to be completely cleared. Some counties have enacted county ordinances to enforce brush clearance.

While our carriers do not require it, such clearance slows the progress of the fire and provides an area from which the fire department can protect your insured's home. With some prevention, whole communities can be saved.

For more information on fire prevention and safety, contact your local fire department.

Straight From The Horse's Mouth

Livestock Mortality Department with David Hindle, Underwriter

Colic: A threat with many causes.

Colic is a general term that refers to abdominal pain and can arise from many diseases and dysfunctions. Colic resulting from a twisted colon causes more than twice as many equine deaths as other diseases and trauma, and is understandably the primary fear of many horse owners.

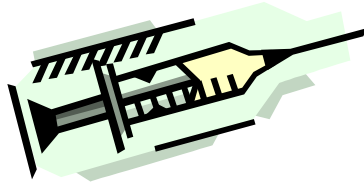
The most common sources of colic include:

Impaction Colic which results from a blockage of the intestine, commonly in the flexures of the large intestine.

Torsion "Twisted Gut" Colic is the most dangerous form of colic and requires immediate surgery to perform a resection or untwist the affected section.

Spasmodic Colic results from increased/spastic peristalsis (wavelike intestinal contractions). Treatment is usually successful.

Enteritis/Colitis refers to a bowel infection or inflammation.



Gastric Distension/Rupture causes great pain, and can occur as the result of many different problems. In some cases, the horse suffers discomfort from gas buildup. Gas colic is relatively easy to treat, but other sources of gastric distension can be more problematic. One common cause of stretching or rupturing is from overfeeding or feeding substances that expand after being eaten. Treatments are available

so long as a rupture has not yet occurred.

Some of the more common and easy to recognize symptoms of colic include:

- Standing frequently as if to urinate
- Lying down more than usual
- Rolling
- Kicking at the abdomen
- Repeatedly curling the upper lip

As with most illnesses, the keys to successfully surviving colic are early detection and treatment. If your insured's horse shows any of the listed signs or shows violent behavior that indicates pain, see that your insured's veterinarian is contacted immediately. For more information on equine colic, visit <http://www.equusite.com/articles/health/healthColicFacts.shtml>.

There is a new contest for all livestock mortality producers. For details, return to Page 1.

Colic Preparation

Colic is the most common cause of death in a horse and is the most expensive ailment for which a horse will be treated. Therefore, colic is also beyond the ability of most horse owners to combat alone. To protect your insured's assets, all of our equine mortality carriers carry coverages to help control the cost and financial risk associated with colic.

Some of our carriers offer an automatic Emergency Colic Surgery coverage. ECS coverage stipulates that if the horse colics and requires surgery, it will be provided free of



charge (subject to coverage limits, availability, and restrictions).

While some carriers provide specialized coverages with colic as the main concern, all of our carriers offer a broad surgical endorsement that can be increased to a Major Medical endorsement. These coverages will provide treatment for colic in addition to other health concerns.

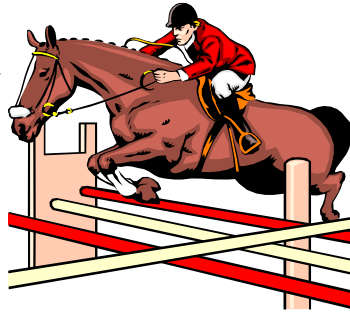
Policy limits and details vary by carrier. For more information contact your underwriter, David Hindle, at davidh@fredricksenins.com.

Farm/Ranch Department with Laureen Jordan, Underwriter

Stable Times

What is "Care, Custody or Control"?

A horse your insured was boarding for a client escapes its stall through an unlocked gate, and is injured in the process. The horse's owner sues your client, and since this loss is not covered by general liability insurance, your client loses thousands. This scenario is all too common, and yet is relatively easy to avoid with a specialized policy called Care, Custody or Control (CCC).



CCC is a liability coverage designed for equine professionals who are responsible for the well-being of horses that they do not own. CCC coverage is an essential addition to the insurance portfolio of a wide variety of equine professionals. Some of the clients that would benefit from a CCC policy include:

- Trainers
- Breeders
- Boarding Facility
- Sales Barns
- Anyone responsible for showing or racing horses

CCC eliminates one of the more critical gaps in an equine professional's general liability policy. In the event of negligence, the policy will pay for damage to horses as well as any legal fees incurred from any related suit. Limits are generally applied on a per horse and per claim basis. The premium for a Care, Custody or Control policy is primarily determined by the number of horses under the care of your insured: ensuring that the premium will be competitive whether your customer occasionally boards a few horses or operates a large facility.

All of FIS' Farm/Ranch carriers offer a unique CCC policy as an addition to a general liability policy. Rates, applications, and specifications differ with each carrier, call Laureen, Rachel, or David for more information.

How to lower your non-equine quote.

A Filling out most of the information on the application will yield the lowest available premium, right? Wrong. In most cases, you can save your customer money simply by completing their application in its entirety. However, there are some discounts available that require more information than is requested on the standard application.

S The easiest way to supplement the application is to add currently valued loss runs. By providing loss runs for the past 3-5 years, the underwriter is provided with a current view of the account, allowing them to properly credit or debit the account.

I An itemized diagram of the customer's property with supporting pictures help give the underwriter a better opportunity to assess the risk involved. If there is no information given, the underwriter can not allow the credits your client may rightly deserve.

D If the application includes farm auto, it is best to include the complete VIN with the make and model of each vehicle. MVRs should also be included for all drivers that are to be on the policy.

R Each individual carrier has their own specific information requirements. For carrier-specific details, contact one of our Farm/Ranch underwriters.

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THE PRESIDENT'S CORNER

Summer Greetings!

First and foremost, I'd like to extend thanks to so many of you for your kind words about these newsletters. It has been our hope that by sending out on a regular basis, you would find it not only a source for information on our products, but also educational. A number of the topics written about here are the result of questions and comments we receive throughout the month. Many such questions pertain to finding new avenues for business growth.

One often overlooked area of potential sales for many agencies are local, state, and national association business. My early years in the insurance business were spent working with associations to develop insurance programs which would perform as an added benefit to the members, thus increasing the value of membership. Throughout FIS' 18

year history, we have been very successful in developing, creating, and maintaining these accounts.

While the due diligence process can be lengthy, these accounts tend to provide our brokers with many opportunities to place a variety of business for the association and its membership. Many times at rates below the current market.

Our carrier partners are eager to see this type of business, as it lends itself to permit tremendous penetration into areas they've already determined to be profitable.

Before a carrier will consider a group or association program, we would need to do our own due diligence on the agency submitting the account. Simple things like service capability and depth of knowledge of the account are vitally important when considering a group. How would you sell to the members, and what are everyone's expectations? Can they be met by

the carrier? The agent? The association?

You can appreciate the depth of information that would be required, but often, this process starts with a phone call to my office. I can help form the questions, provide focus, and initiate forums for the formation of a program.

If you have a group, want to start a program, or already have questions, please call or e-mail me and I'll see that you get started in the right direction. FIS has the experience to help you with the development, placement, and sale of a program, you are welcome to use this experience to place your next association, group or mass marketing program through FIS. We look forward to hearing from you.

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

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Here we are at the middle of summer and the end of the fifth newsletter. Now that we've discussed all of our carriers and basic coverages, we're able to go into more product detail and news than ever before. If you have anything in mind that would be helpful and informative to see in the next newsletter, please let me know. Your input is always appreciated.



As always, if you would like to be removed from the mailing list, e-mail me at billf@fredricksenins.com.

Thanks for reading.

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