

# Fredricksen Information Source

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## *From the President's Desk...*



As we ease into Fall's cool evenings and football season, I'm reminded of the need for the final push required to meet our 2007 goals. While the end of 2007 draws near, there are some tools available to you to assist your sales and marketing efforts.

A number of you who are my producers will have received your "Thank you Plants" by the time you read this newsletter. This is a

unique and creative marketing tool provided to your agency through a joint program of FIS & AIG. If you are interested in learning more about this program, please call me directly.

AIG has expanded its high net-worth appetite to Hawaii! The same fine coverages are now available to your clients in the 'Aloha State'. Naturally, there are some modified underwriting guidelines for the unique exposures found on the various islands. For a copy of the guidelines, please contact Cynthia.

Our newsletter format will change next month with a new look for your continued education on our partner carriers, products and contests. Until then: Sell, Sell, Sell.

- Mark

### **Fredricksen Insurance Services, Inc.**

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Open Monday-Friday 7am-4pm PST

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Leadership is practiced not so much in words as in attitudes and in actions

-Harold S. Geneen

# Home Sweet Home

Homeowners Department with Rachel Hindle, Underwriter

## Protecting your clients from burglary.

As many of you are aware, affluent and high net worth clients in the greater Los Angeles area are being targeted by a group of professional burglars. Several AIG Private Client Group insureds have suffered losses as a result of these activities.

AIG Private Client Group has taken several steps of which we would like to make you aware:

They have joined with the Los Angeles Police Department in offering a



\$100,000 reward for the identity, arrest and conviction of the burglars.

They have also created and mailed "Prevent Break-ins Now!" directly to our

insureds in the Los Angeles area. A copy of the flyer is available upon request if you would like one for your office.

We urge you to make your clients aware of this heightened risk. This is also a good opportunity to assure that your client's valuable articles schedules are up to date and properly valued for replacement. If you need any assistance, please contact Cindy.

## Have you left something out?

For your convenience, the following are some of the most frequent types of missing and/or incomplete data found on AIG PCG's Submission Request; delaying Quotes, Policy Issuance and Endorsement submissions.

### Homeowners Quotes and Binds

- Construction type
- Renovations - are they partial or complete? If complete, what year was it completed?
- Square footage of dwelling to determine ITV

### Excess Liability Quotes and Binds

- Number of pools
- Complete addresses for additional residences
- Watercraft info

### Collections Quotes and Binds

- Schedule or blanket coverage unspecified or incomplete descriptions of item(s)
- Amount requested does not equal scheduled items

### Auto Quotes and Binds

- No driver's license numbers or VINs
- Annual mileage or miles one-way if usage is commute

### Policy Changes/Endorsements

- Policy number/ insured's name
- Missing or incorrect VINs or exact model of vehicle(s)
- Agreed value/cost or bill of sale on a new vehicle
- Vehicles' annual mileage, driver assignments or specify if misc. vehicles are registered such as: ATV's, golf carts, dirt bikes, motorcycles, etc.
- LLC and Name of Business - Underwriting need specifics such as intent of LLC, who owns it and is it for profit and the number of employees for the business
- Credits (proof of good student, driver training, Lo jack, etc.)
- Appraisals for collection items over \$250,000
- Incorrect driver license numbers or DOB
- Bill of sale on a newly purchased vehicle
- ID theft requested but no limits given



# Straight from the Horse's Mouth

Livestock Mortality Department with David Hindle, Underwriter

## Major Medical Highlight—By David Hindle

Two questions that many brokers ask when applying for mortality coverage are “Does my prospective client need medical coverage” and “What company offers the best coverage”. This is not an easy question to answer. With all of the equine markets available it can be a little difficult making the decision for your client.

The first thing that should be taken into consideration is the value of the horse. Most companies offer a medical endorsement that shows a limit of \$7,500. If the horse's value is under \$7,500, however, some companies opt to lower the amount of coverage to the value of the horse, and no more. Other companies offer the



\$7,500 limit at the same premium without the restriction to the value of the horse.

For the few companies that offer a \$10,000 limit there are no value restrictions, but the cost understandably goes up. This endorsement should be considered for most higher-valued horses. Aside from value, other factors that should be taken into consideration include

the horse's age and health history.

Age plays a major factor, as most companies will not offer any medical coverage to horses over 15 years of age. In this case, surgical coverage might be the proper solution.

Horses with major health concerns may not qualify for medical coverage, or may have exclusions for any preexisting conditions. In these situations, a complete vet exam with details of the injury or illness would be required to determine eligibility.

Our underwriting staff has the experience to aid all brokers in finding the package best suited for their clients. All questions are welcome at any time, so don't hesitate to call.

## Renewal Application Rule #1

We all know that a renewal application is a great way to get a fast quote for an insured's horse, but there's one thing that must be understood: The renewal app cannot be signed or dated more than 30 days prior to the effective date.

The 30-day requirement is primarily due to the fact that quite a bit can happen to the insured horse outside of those 30 days, and an up-to-date application is essential for accuracy.



If the company receives an application that is signed before the 30 days prior, it will reject

the completed application, and a new submission will be required from the insured.

Please note: If there is a claim within the 30 days that the valid renewal application is sent and the effective date, appropriate exclusions may still be added to the renewal policy when it takes effect.

**You can also visit our website at [www.fredricksenins.com](http://www.fredricksenins.com) for program and coverage details.**

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

# Stable Times

## Are we as safe as we think we are?

According to a survey of homeowners by the Insurance Information Network of CA et al, only 22% of Californians see themselves as prepared for a natural disaster. This is staggering when CA has suffered more than \$25 billion in insurance losses since 1990, and 60% of those 800 people polled believe there is more than a 10% that there will be a catastrophe in their area within the next five years.



The survey also gathered the following information from those surveyed:

- Less than 15% of homeowners purchase earthquake insurance.
- 68% rely on the insurance industry to help home and business owners rebuild after a disaster, which is contradictory to the low number of earthquake insureds.
- 69% said it is the responsibility of the business or homeowner to acquire insurance or have money set aside for disaster recovery.
- Only 20% believe government financial assistance would see them through disaster recovery.

Given the state's history, California farm, ranch, and home owners can not afford to be unprepared should a natural disaster occur. Contact Cindy or Rachel for more information on earthquake, fire, and flood protection for your property.

# 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, e-mail at [markf@fredricksenins.com](mailto: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

*Dear Mark,*

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