

Fredricksen Insurance Svcs.
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Fredricksen Information Source

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November 2004

Happy Thanksgiving

Welcome to the newest issue of "The Source". The seasons are changing, and so is Fredricksen Ins.

This month we're proud to bring you some **bold new changes in the homeowners department**, with the return of First American's Dwelling Fire, and Homeowners coverage for many new Zip Codes.

In Mortality, we're proud to bring you some information on reporting a claim that could make the difference as to whether or not your client is reimbursed after a loss. For some, this may already be understood, but we recommend that everyone read this and make sure that it is taken into practice.

The e-mailed copy of this newsletter doesn't print very well, so you can find a better version of this newsletter on www.fredricksenins.com. Go the "Newsletters" section, and you will find this issue among all those past. Enjoy...



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- Bill Fredricksen

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To be interested in the changing seasons is a happier state of mind than to be hopelessly in love with spring.

-George Santayana

On the Home Front

Homeowners Department with Rachel Hindle, Underwriter

November is a Big Month for First American Specialty Ins. Co!

DWELLING FIRE IS BACK WITH F.A.S.I.C.!

Due to high demand, First American Specialty Ins. Co. has reinstated the dwelling fire program that we all have come to appreciate. However, they still want the bulk of their business to be in homeowners, so you need to keep sending HO apps too.

Here are a couple new rules that you need to keep in mind when submitting an app:

- There must be at least 1500 feet brush clearance.
- Some Zip Codes are still in moratorium status (see following table)
- Two color photos of the risk must be included with the original app
- A completed rental supplement must be included when the dwelling is tenant occupied.

Dwelling Fire premiums are as low as ever, so call Rachel today for more information.

Homeowners and Dwelling Fire Zip Codes still in moratorium:

91941, 91977, 92130, 92314, 92315, 92317, 92318, 92321, 92325, 92333, 92335, 92336, 92339, 92341, 92345, 92352, 92376, 92378, 92382, 92385, 92386, 92391, 92392, 92404, 92503, 92509, 92553, 92563, 92651, 92705, 93108, 94110, 94591, 94605, 95006, 95758, 96143, 96145

Moratorium Lifted on most Zip Codes

Tired of not being able to get Homeowners coverage in your area? You'll be glad to know, then, that 144 of the 169 Zip Codes that were recently put under moratorium are now available again.

Keep in mind that the expansion of regions is only possible so long as a balanced area of insureds continue to be written. It is better for all of us if

you continue to write the coverages that you have been limited to in addition to the newly available zones.

For more information on which specific Zip Codes have been opened, please contact Rachel.



Thank You

Special thanks to those of you who have e-mailed your requests for Homeowners expansion. We are currently reviewing your requests, and will make a presentation to the carrier shortly.

A quick reminder to everyone else, please let me know at billf@fredricksenins.com if you need a carrier that can write homeowners coverage in a state outside of CA.

All applications can be found on www.fredricksenins.com.

Straight From The Horse's Mouth

Livestock Mortality Department with David Hindle, Underwriter

Why you should report Every injury and illness.

Your insured's horse jumps over a fence and gets a scratch on it's leg. The horse is covered for mortality, but not medical, so your insured calls the vet and pays out of pocket. If the leg gets infected and the horse dies, it's covered, right? Perhaps not. And all because the original injury was not reported.

Regardless of whether or not Major Medical is purchased, the insurance company requires full disclosure of all injuries and illnesses. They require all pertinent information so that they can properly verify that the horse received all of the necessary treatment to avoid death. In general, here is a good rule of thumb: if your



client needs to call a veterinarian, they need to call the carrier.

Don't worry, this isn't a way for the insurance company to raise rates. In fact, claims will have no bearing on the renewal premium. The horse will probably be able to get major medical the following year as well

(assuming it was already eligible). At most, the company may require an exclusion for the preexisting condition on the mortality policy and any endorsements.

Call the carrier's claims department to report any injuries/illnesses. It may take some more time than just calling the vet, but your

insured has everything to lose by not calling in the claim.

Just in case you did not have them already, here are the claims numbers for all of our mortality carriers:

American Equine Ins. Group with National Equine Adjusting Inc:

(800) 783-9418

Great American Ins. Co.:

(800)331-0211

Insurance Corporation of Hannover:

(800) 324-0269

The Hartford:

(800)295-1815

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.

If you have any questions, feel free to contact David.

Mortality coverage for exotics, cattle, and dogs.

Through The Hartford, we can now offer mortality insurance on dogs and exotic animals with a standard array of coverages and endorsements that vary with the type of animal.

Examples of some of the animals that can be insured include llamas, bison, cattle,



elk, alpacas, water buffalo, a selection of zoo animals, and many breeds of dogs.

Full mortality and limited perils are available. For more information on this new expansion of our mortality coverages, contact David.

Farm/Ranch Department with Lauren Jordan, Underwriter

Stable Times

What's covered on a PHO?

Personal Horseowner Liability (PHO) is designed to cover the gaps in a homeowners policy that can become a threat with the ownership of a horse. Policy limits vary, and cover against the financial risks associated with your insured's horse injuring another person or property, and is held responsible. The most significant limitation of this policy, is that the horse's use is limited to personal pleasure. While many of you already know this, here are a few things that you might not know:

PHO can extend to the horse being used in a show or competition. One requirement, however, is that cash prizes must not be awarded. After all, the show must be a personal, not a commercial endeavor.

Some carriers provide supplemental applications to add activities such as the operation of a horse-drawn carriage. Being part of the PHO, however, the use must still be personal, such as participation in a parade. **Carriage or Hay rides are not covered.**

All other activities must also be incidental. It is understandable that your client may want to take their horse to a show or parade every now and then, but such activities must remain a secondary use.

In order to maintain the division between horse enthusiast and horse professional, most carriers institute a limit on the number of horses that any one client can claim on a PHO. In the case that a horseowner legitimately has a number of pleasure horses that exceeds the standard limit, or you would like more information on a PHO policy, please contact any of our Farm/Ranch underwriters.

ATTENTION ALL AGENTS

Effective December, 1, 2004 all ARIC and ABIC quotes will automatically be adjusted 3% as an inflation guard. You will have an option to overwrite the 3% default option to put in an increase from 0-9%. The coverage affected will be A, B, C & D under ABIC Policies (FSL & FO), A, B & C under ARIC FRP policies and coverage A under the ARIC FAC policy. Contact Lauree for more details.

A Hunting Season

As you may know, some insureds like to open their property to family and friends for hunting use. While this can still be covered by their Property & Liability policy, there are a few things that should be remembered:

First, the insureds are responsible for the actions of all of the hunters that they allow on their property. This means that proper supervision is essential, and that property boundaries should be known well.



Second, **Hunting should only be incidental, and can not be a source of income.** Allowing friends and family to hunt on some properties is ok, but we do not currently provide any coverage for commercial hunting operations.

Whether hunting is covered or not also depends on the policy, location and many more factors. As a result, hunting activities should be assessed on a per-client basis.

When looking at the risks involved with hunting on an insured's property, it is easily apparent that there are more concerns than with most other activities. If your client wants to hunt on their property, get as much information on the prey, weapons, and participants as possible. Forward all information to our underwriters, and we'll do everything we can to assist you on the risk. For more information, contact Lauren.

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THE PRESIDENT'S CORNER

At this time of the year I always pause to reflect on the past year. We've been very blessed with a healthy increase in premium and have had an excellent loss ratio all year.

Let me add two comments to losses: First, something I learned a long time ago is that loss ratios don't mean anything until the end of the day on 12/31, because anything can (and often does) happen.

Second, I'd like to think we've made significant strides in communicating with you on the types of risks

we desire. Not only does this understanding save both of us time and money, it also enables us both to have a higher hit ratio.

We acknowledge that our success is due to your

continued support and faith in our carriers and products. We will strive to create more opportunities for your agency in the months ahead.

Again—we all thank you for your support.

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

CONTEST!

Just in case you missed it in the last issue, we've got a contest for the month of November that is our easiest yet. Best of all, it's not too late to get in the contest, and get your prize. Here are the details:

A \$50 gift certificate for Best Buy or Barnes & Noble to any CA or AZ broker who binds 5 Dwelling Fire or Renter's Insurance throughout the month of November.

Good Luck!



Check here next month for more updates and monthly specials.

Employee Spotlight: Bill Fredricksen

Yes, I am Mark's son, a Leo, and I enjoy long walks on the beach and candle-lit dinners with my fiancé Allison.

I received my BA from UCLA in 2003, and decided to work for my dad for a bit while applying to become a Doctor of Physical Therapy. (Dad has already requested a lifetime payment waiver)

Since working here, I've had a variety of duties including recruitment of new agencies, designing the new website, and putting out this newsletter. I've really enjoyed the fact that writing this newsletter has taught me a few of the



finer points of the insurance business within a relatively short period of time.

Thanks for reading, and giving such good input on the newsletters. If any of you have ideas or would like to be removed from the mailing list, please let me know at billf@fredricksenins.com. Thanks for reading...

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