



Straight to the Point...

A Quarterly Personal Insurance Publication for Families and Their Financial Advisors

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A Message from the Vice Chairman



As we approach our fourth anniversary in August of this year, we thought that you, our valued clients and partners, might like to know how we are doing. So we are taking a few lines of our

newsletter to give you a brief update.

Dan Glunt founded Fort Point in August of 2003 with one employee and 8 clients. He recognized that the affluent buyer of insurance was being underserved by agents and many insurance carriers, and thus created a boutique insurance agency focused exclusively on Private Client **personal** insurance for the affluent client.

Four years later, we have 9 full-time employees, two part-time employees and have recently moved to larger quarters at 3 Embarcadero Center in San Francisco. We are extremely pleased to provide Private Client insurance services to

approximately 500 clients in 42 states, and several foreign countries. All of our clients are serviced from our San Francisco office.

We have received a special *Cornerstone* designation from Chubb recognizing Fort Point Insurance in their top 1% of all agents countrywide. In addition, we are one of AIG Private Client Group's strongest partners, and our growth with them is significant. We have also been recognized by the Fireman's Fund and Travelers as a top relationship, and have access to the entire personal insurance marketplace. We continue to meet or exceed our carrier's expectations each and every year.

We are very proud of our employees and their demonstrated ability to provide first class service to our clients. We view this commitment as the key component to our success thus far, and it will continue to drive our business in the years to come

We thank you, our clients and partners, for the confidence and trust you have shown in our firm. Our mission is to be the very best at what we do by staying focused on quality service.

James M. Corroon

14% of all drivers have no liability Insurance

50% of drivers with auto insurance carry only the minimum state required liability limits

Be Protected Against Uninsured and Underinsured Drivers

One of the least understood and most important auto coverage is the Uninsured and Underinsured Motorist component provided under an insurance policy.

Some statistics will provide important perspective as to how vulnerable motorists can be to other drivers who have chosen to not be legally insured or only pay for the minimum amounts of coverage:

- Countrywide, approximately 14% of drivers on the road have no liability insurance at all.

- Close to 50% of those that do actually carry auto insurance only meet the minimum state-mandated liability limits (in most states this is just \$15,000).

So what happens when you are involved in an accident with an uninsured or underinsured motorist who is at fault, or if you are a victim of a hit and run? Where is the coverage for you and your passengers if you incur bodily injury or property damage? If you are transporting children for something as routine as traveling to sporting events, a driver's exposure could even be greater. You can sue the negligent

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Overseas Kidnapping: A Real Threat

By Doug Kane, President, Risk Control Strategies

U.S. kidnappings have a greater likelihood of violence. This is due to the fact U.S. kidnapers are either common criminals out to make a quick profit or individuals targeting specific individuals in retaliatory actions. In other regions of the world kidnapping is approached as a business who realize that if harm comes to their hostage, their bargaining power is gone.

Worldwide, most kidnap victims survive the experience. On average statistics over the years have shown that over 40% are freed after payment of ransom; 35% were rescued; 11% were released without payment; 9% were killed or died, and 5% escaped. Some countries are more at risk than others and the complexity of a kidnapping change with each country. In the United States, kidnap cases are typically shorter-term events that typically last for hours or several days, whereas kidnapping events can last for weeks or months in other countries. U.S. kidnappings have a greater likelihood of violence. This is because U.S. kidnapers are often criminals out to make a quick profit or as a form of retaliation against the victim and don't approach kidnapping as a business. In other regions of the world, however, kidnapers tend to be trained terrorists who realize that if harm comes to their hostage, their bargaining power is gone.

Whether the motivations of the kidnapers are due to ideological, economic or personal reasons, kidnappings have similar impacts on the victim and their family. For the victim, the experience is terrifying. Often confined in deplorable conditions, they may be exposed to health hazards and subject to threats or beatings that can lead to injury and even death. Throughout the ordeal, the victim's family is crippled by fear and uncertainty about the welfare of their loved one, who the kidnapers are, why the abduction occurred and if the matter will be safely resolved.

We cannot ignore the fact that changes in recent world events indicate that kidnappings in overseas locales may become even more prevalent in the future. American travelers are perceived as vast repositories of wealth. They can be ideal candidates for a kidnapping both at home and abroad. These heightened risk factors will force individuals to more carefully assess their vulnerability to kidnapping, how to avoid becoming a victim and what to do if a kidnapping does occur.

Coping with Abduction

The most dramatic and dangerous phase of any kidnapping is the moment of abduction, when victims must make

an instant and correct decision regarding resistance. Without exception, resistance is dangerous. The kidnapers have planned this abduction, selected their target and have tried to choose circumstances favorable to them. They will be tense, adrenalin filled and they will be physically and verbally abusive. If anyone tries to escape, the action must be swift, fierce, and effective. Effective resistance or quick escape requires strength, knowledge of vulnerable parts of the body, a willingness to apply this strength to those parts, and the skill to succeed. Any half-hearted or ill-conceived defensive measures will only make a bad situation much worse. So any attempt of escape should not be made unless you possess the above qualities. Victims who resist heavily armed abductors may needlessly die or be injured, and they may cause others to be harmed.



The Response - A Personal Security Portfolio

Regardless of your physical capabilities to respond to an attack individuals can and should prepare by designing a portfolio of personal information to be made available in the event of abduction. Information in the file may also be useful in case of medical emergencies when information is not readily accessible from medical records. The folder will contain personal information known only to the family and will detail security plans developed for their protection and welfare.

Insurance Options

Insurance for kidnap/ransom (K & R) and/or the expenses associated with an event is readily available in the marketplace. Carriers, such as Chubb and Fireman's Fund automatically include K & R on their home, renters and condo-owners policies. Limits vary from \$25,000 to \$300,000 depending on the carrier and state that you live in. Stand-alone policies are also available from the two largest insurers for K & R, Chubb and American International Group (AIG). Please contact info@fpins.com for more information regarding this unique insurance.

This document is an outline of information conceived and prepared by Risk Control Strategies (RCS) for our affluent clients and Chief Executive Officers of corporate America. The details contained in a "Personal Security Portfolio" are extremely sensitive and confidential. Samples of a completed portfolio can be obtained by contacting writer.

Doug Kane, President, Risk Control Strategies may be reached at (818) 991-7475 or dkane@riskcontrolstrategies.com

Complimentary Background Investigations for Clients Who Employ Domestic Staff

Two years ago, Fort Point Insurance unveiled a new loss-prevention initiative that provides all clients employing domestic staff with access to background investigations, at no cost. A variety of vendor screening services will be used to conduct the investigations free of charge to all clients with domestic employees and/or those who are interviewing employees. Fort Point along with several insurance company partners, initiated the venture with several background screening firms as part of its ongoing directive to help protect the safety and assets of its policyholders.

Since the program's inception, Fort Point has completed a total of forty-five background investigations for Fort Point Insurance clients. Surprisingly, seventeen candidates/employees failed to pass our investigation due to adverse information, including but not limited to:

- Criminal sexual conduct – 3rd degree felony (*interviewing for handyman position*)
- Felony drug indictments (*pending*)
- Driving under the influence (*interviewing for chauffeur position*)
- Failure to take a chemical sobriety test (*interviewing for nanny position*)
- Reckless driving
- Unable to verify identity of candidate
- Overall – poor driving record and auto claims history
- Multiple insurance claims (*housekeeper that would ultimately drive the client's automobile for child pick up and errands*)

These results are very concerning as many domestic employee candidates came from Staffing Agencies and head-hunters that "pre-qualified" candidates.

The Process is Simple...

Once permission to conduct a background investigation has been obtained from the current or prospective employee, Fort Point Insurance can offer pertinent information on that individual, including:

- Verification of identity and address history;
- Motor vehicle (DMV) driving record;
- Verification of all insurance claims made in the household;
- Confirmation of educational background;
- Verification of professional licensure; and
- Searching capabilities for federal, state and county criminal records.

Policyholders have the ability to screen all of their U.S.-based employees, such as their nanny, housekeeper, driver, gardener, chef, or home health worker. For more information, please phone (415) 781-8801 or send email inquiries to info@fpins.com. **FP**

Coverage Against Uninsured and Underinsured Drivers

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driver, but if that person does not have any assets, even with a favorable judgment, you would have minimal recovery.

The purpose of this coverage is to put you in the same position as if the one who negligently caused the accident had sufficient liability insurance to pay your medical expenses, lost wages, and pain and suffering damages that you might incur, as well as for your passengers. If the negligent driver did not have insurance, your coverage would be primary, and if the driver had insurance, but the limits of Liability under their policy were inadequate, your coverage would compensate in excess over and above the liability limits available under their policy.

While this discussion has only addressed bodily injury losses, one cannot forget about property damage to your vehicle if the at-fault driver does not have insurance or is underinsured. Without carrying collision under your policy you would only be paid up to \$3500 for repairs to your car. If you do have collision coverage under your policy, the Uninsured Property Damage coverage would pay your deductible.

It is critical that Uninsured and Underinsured Motorist coverage be added to the primary automobile policy with limits equal to the Bodily Injury and Property Damage limits on the policy. Furthermore, this coverage should be added you the Umbrella Policy with a minimum limit of \$1,000,000. **FP**

About Fort Point Insurance:

Fort Point Insurance Services provides comprehensive insurance products and services to help meet the unique risk management needs of affluent and ultra-affluent individuals and families. Fort Point's portfolio of insurance products includes, but not limited to: excess liability, homeowners, automobile, private collections of jewelry/fine art, kidnap/ransom, aviation, yacht, earthquake and flood coverage. We accomplish this by drawing on our relationships with the nation's most respected insurance carriers, and from our own experience in serving the private client personal insurance market. Based in San Francisco, we work with individuals and families across the United States in all fifty states and around the world.

Working together with clients and their *most trusted* advisors, we analyze coverage gaps, identify potential loss exposures and recommend proper limits of liability to protect both your property and financial assets. At Fort Point Insurance, our insurance professionals are prepared to offer you unparalleled service and more sophisticated coverage as we manage your personal insurance program.



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Fort Point Insurance Personal Insurance Solutions and Products:

Personal liability – primary, excess and umbrella limits up to \$100 million

Dwelling - high-value, standard, historic, multi-state, foreign, rental property and seasonal/secondary

Vehicles – high-value autos, standard, collector, RV and motorcycle

Collections - jewelry, fine art, wine and other collectibles

Vineyards, Ranches and Horse Exposures – horse mortality, liability, transportation and ranches

Earthquake, hurricane and flood

Kidnap, ransom & extortion

Identity theft

Aviation – jets, helicopters and other (private-owned, corporate and/or fractional ownership) aircraft.

Watercraft – yacht, small boat, sailboat and personal watercraft

Family Office Coverage

Employment practices liability for domestic employees

Workers compensation for domestic employees

Personal Directors & Officers Liability