



Straight to the Point...

A Quarterly Personal Insurance Publication for Families and Their Financial Advisors

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Travel Insurance: Don't Leave Home Without It

Have you considered what will happen if you were injured or became ill while traveling internationally?

- Would your US health insurance plan provide coverage?
- Does Medicare work outside the US?
- Who would you contact to assist in a medical evacuation?

You might be surprised to know that the typical US health insurance policy provides only emergency care outside the US. Medicare provides no coverage outside the US and those seniors with a Medicare supplement have limited coverage.

In addition, US health insurance plans do not provide any assistance services when aboard. The client must arrange for care, handle a medical evacuation, decide what doctor or hospital offers appropriate care, pay cash for the claim or worse – pay to gain access to a hospital. To compound the problem the client must deal with a foreign language and customs.

Does this sound difficult and confusing? It is but there is a simple and inexpensive solution to solve this problem – Travel



Medical Insurance. Travel medical insurance is designed to fill most of the coverage gaps, resolve the claim issues and provide assistance services not found with US domestic health insurance.

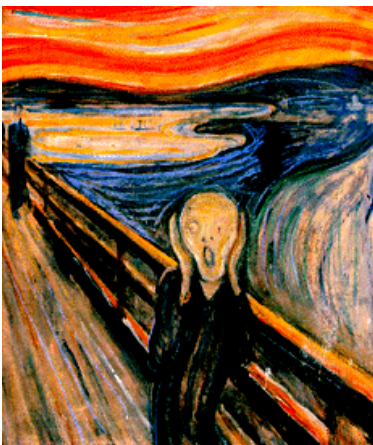
Even the most basic travel plans provide for hospitalization, surgery, intensive care and office visits. The higher quality plans will also include the ability to talk with on-staff doctors to discuss health issues, the best course of action and what local facility you should seek care. For sports enthusiasts activities such as SCUBA diving, mountain climbing and even auto racing can be covered.

Travel medical insurance companies operate utilizing a global coverage area rather than a local coverage area.

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Bill Would Lower Tax Rate for Art Investments

Let's say you go on "Antiques Roadshow" and find that the Elvis plate that you bought for a buck a decade ago at a yard sale is now a pop art treasure worth \$100,000.

If you decide to cash in, is it fair for you to pay Uncle Sam a 28 percent tax on your \$99,999 monetary gain?

Of course not, a bipartisan group of lawmakers said Tuesday.

The capital gains tax on the sale of art and collectibles should be the same 15 percent rate as it is on stocks and bonds and not the current maximum of 28 percent, said Sens. Pete Domenici, R-N.M., and Charles Schumer, D-N.Y.

They introduced the "Art and Collectibles Capital Gains Tax Treatment Parity Act" that would put art, coins, stamps, antiques,

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AIG Private Client Group Launches Mobile *Wildfire Protection* for California Policyholders

NEW YORK, June 21, 2005 – AIG Private Client Group, a division of the personal lines property and casualty insurance subsidiaries of American International Group, Inc. (AIG), today announced the creation and deployment of its Wildfire Protection UnitSM, the first mobile service designed to mitigate wildfire exposure and proactively respond to high net worth insureds in select areas of northern and southern California.

Wildfires are a perpetual threat to homeowners in affected areas. Over 10,000 wildfires occurred in California in 2003 and 2004, collectively causing over \$1 billion in property damage*. Unprecedented brush growth from heavy winter rainfall brings significant potential for catastrophic loss in the 2005 season.

Preexisting wildfire mitigation tactics include non-combustible construction materials, regular brush clearing and non-combustible plantings in landscape design. Some homeowners permanently install exterior wildfire suppression systems, but the vast majority relies on the efforts of their local fire departments.

AIG Private Client Group sought to better protect its California policyholders, whose irreplaceable, high-value properties merit a more sophisticated level of protection. Its Wildfire Protection Unit can be accessed by insureds who reside in either of two designated zones: one in southern California and one in northern California (eligible zip codes: 94010; 94022; 94025; 94027; 94028; 94062; 94301). See map:



Current AIG customers enroll via a toll-free number that was designated for the initiative.

Wildfire Protection Unit services** include:

On-site consultation — wildfire mitigation specialists will visit the property to assess exposure levels and determine if pre-treatment is warranted.

Pre-treatment — perimeter brush on the property is sprayed with Phos-Chek[®], the same environmentally friendly fire retardant used by the U.S. Forest Service.

Rapid Response — enrolled properties are mapped using GPS technology. If a wildfire is within three miles of the home, a “Rapid Response” truck will be automatically dispatched to apply fire retardant to all combustible areas on the property, including landscaping.

“I work with a dedicated team that focuses solely on avoiding or mitigating damage for the clients we serve,” said Stephen Poux, Director of Loss Prevention, AIG Private Client Group. “Our Wildfire Protection Unit was created to more effectively protect policyholders from the devastating effects of wildfires, through state-of-the-art technology and on-the-ground expertise.”

Both the on-site consultation and the Rapid Response service are available to eligible policyholders at no cost. In some instances, pre-treatment will involve a fee of approximately \$500.

Firebreak Rapid Response LLC, a division of Firebreak Spray Systems LLC and an industry leader in wildfire mitigation, is operating the Wildfire Protection Unit in an exclusive agreement with AIG.

AIG Private Client Group provides comprehensive insurance products and services to help meet the unique risk management needs of high net worth individuals and their families. Its innovative products are underwritten by the member companies of American International Group, Inc., and are designed to enhance protection of, and minimize threats to, personal wealth and safety.



Art Investment Tax Reduction

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baseball cards, Hummel figures, Tiffany lamps, Beanie Babies and other collectibles in the same tax category for investor as Coca-Cola stock and junk bonds.

Art and collectibles are alternative investments to traditional financial instruments, said Domenici. "This bill will eliminate penalties for artists and collectors and make the IRS code more consistent," he said.

The legislation was hailed by the American Visual Arts Alliance, a coalition of artists, collectors, galleries and auction houses.

The current 28 percent tax "has a detrimental effect on all collectors and overlooks the fact that these purchases are investments and should be treated as such," said Kim James, a spokesman for the group. "Just as with stock or property purchases, there is also a revenue raising potential as collectors would buy and sell art more readily."

Indeed, the sponsors said the tax reduction would spur sales and the increased activity would offset any loss in federal revenues.

"We care about the arts community but we also care about economics," said Schumer.

"This is a bad idea," countered Joel Friedman, a senior fellow at the Center for Budget and Policy Priorities, a non-partisan group advocating tax policy that does not hurt low

and moderate income Americans.

Although there might be a "short-term kick in revenues" from people selling to take advantage of the lower rate, the long-range effect would be a loss of tax revenues at a time when there is already a budget deficit, he said.

Instead of reducing the capital gains tax on art and collectibles, he said, Congress should raise the capital gains tax on stocks and bonds. "This would be just another tax cut that hasn't been paid for," he said.

The bill also contains a provision that backers say would prompt artists to donate more of their works to museums, schools and charities.

Currently, an artist or creator can receive a tax deduction only equal to the cost of supplies - a painter could deduct the cost of oils, brushes and canvas, for instance. The bill would allow the artist to deduct the fair market value of the donation.

"This bill will encourage charitable giving," said Rep. Thomas Reynolds, R-N.Y., who is co-sponsoring the House version with Rep. Mike Thompson, D-Calif.

Since Congress is likely to consider an extension of the current capital gains tax provision this session, the sponsors predicted a favorable reception for their legislation.

By Bob Dart, New York Times Syndicate

Travel Insurance

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Therefore, issues that cannot be resolved by a US health insurance company (such as a guarantee of payment to a foreign hospital so you can gain access) are routine for a travel insurance company. Larger claims can be settled directly with the travel insurance company rather than have you pay the bill and submit for reimbursement with your US health insurance carrier.

All of the benefits provided by a travel medical insurance company are not effective without the support of a 24/7 multilingual assistance service center. Language barriers, payment arrangements, finding appropriate doctors and hospitals and arraigning for medical evacuation are all handled through the assistance center. Any one of these items can be extremely complicated and time consuming. By allowing the assistance professionals to handle the financial and administrative details the client can focus on a quick recovery.

Travel medical insurance companies have utilized the internet in many unique ways to benefit their clients. Many companies offer clients free online tools such as:

City Profiles – Vital healthcare information such as vaccination requirements and emergency contact listings.

Pre-certified Physician Communities – Contact

information for English speaking, Western trained doctors around the world.

Security Profiles – Become familiar with your destination's vital information such as political stability, terrorism risk, status of local police and important cultural customs to ensure a safe trip.

Drug Translation – Many brand name and prescription drugs in the US have different names in different countries. Make sure your prescription or over-the-counter medication is the right one.

Coverage can be purchased for single trips or annually for the frequent international traveler. The cost ranges from \$150 to less than \$1,000. All plans are guaranteed issue, require only a simple application and issued online so coverage can be put in-force literally within minutes.

The next time you travel internationally consider taking out a travel medical insurance policy. A high quality travel medical insurance plan will not only provide valuable coverage but also contribute peace of mind so you can enjoy your trip.

About the Author

William Cole is the Vice President of InsuranceToGo – Worldwide Insurance Agency (ITG), a highly specialized insurance brokerage that only handles international travel, medical, kidnap & ransom and high risk coverage. Please visit www.insuranceToGo.com for more information

Wildfire Season: Prepare, Don't Predict

The 2005 wildfire season in the western portion of the country has already begun, and it's shaping up to be extremely severe.

The Fort Point Insurance team urges you to take the following precautions, which can help make properties less vulnerable and potentially mitigate wildfire damage:

INSTALL FIRE SUPPRESSION SYSTEMS AND/OR UTILIZE FIRE-RETARDANT SPRAYS

- Install automatic sprinkler systems where possible and practical.
- Install and utilize landscaping sprinkler systems to create a fire break or buffer of moisture at ground level, around the entire perimeter of the house.
- Install a fire-retardant misting system that will dispense a foam-based agent on the structure and/or the surrounding property to establish a fire break.
- If installation of a permanent, fire-retardant misting system is not possible, hire a contractor to create a one-time fire break by applying fire-retardant material to the exterior of the home and/or the surrounding vegetation. It's best to do this at the beginning of each fire season.

BUILD WITH FIRE-RESISTIVE MATERIALS

- Use fire-resistant or non-combustible materials on the roof and exterior structure of dwellings. Some examples of non-combustible materials include: concrete or clay roofing tiles, and brick, stucco or masonry walls.
- Cover wood decking with approved fire-resistant skirting or, alternatively, consider a fire-resistant decking material.
- Install eave stops on clay tile roofs.
- Wood fencing can transfer flame across open spaces like a fuse; when possible, use masonry walls or even chain link fencing.

PAY ATTENTION TO LANDSCAPING

- Landscape your home with a 30' wildfire safety zone in mind. Select fire-resistant ground cover and plants that can help *contain* fire rather than fuel it. For example, hardwood trees are less flammable than pine, evergreen, eucalyptus or fir trees; and flower beds with gravel, crushed rock or decomposed granite will not accelerate a fire like bark or wood chips. **Note:** if your home is situated on a sloping lot, the safety zone should be expanded to 100'.
- Remove "ladder fuels" that link ground cover to treetops on the property. Prune dead branches from the lower portions of all trees and shrubs. On larger trees, prune all branches up to 10-15' above the ground and remove any tree extending within 10' of the flue of a stove or chimney.

ELIMINATE IGNITION SOURCES

- Keep roof surfaces clear of pine needles, leaves, and debris as much as possible.
- Equip your chimney with a mesh spark arrester and place mesh screening across openings to the attic and the foundation or basement.
- Keep all combustibles such as firewood, picnic tables, and lawn furniture as far from the structure as practical and store them indoors when not in regular use.

HELP THE FIRE DEPARTMENT

- If the property has an alternate water source, such as a pond, pool or cistern, contact your local fire department to verify that their equipment can adequately access the water source. Portable pumps can also be used to draw water from pools and ponds in emergency situations.
- Prominently display your house number in front of your property.
- When possible, have garden hoses available for firefighters. Also keep rakes, shovels and buckets on hand to assist them in creating additional fire breaks around your home.
- If you're required to leave your property, keep any electronic entry gates open; a power failure could restrict access to your residence by fire officials. Close all windows and doors, and leave interior and exterior lights on.
- Teach family members how to use an ABC type fire extinguisher and store them in accessible locations.



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