



Straight to the Point...

A Quarterly Personal Insurance Publication for Families and Their Financial Advisors

Inside this issue:

Protect Teenage Drivers	1
Wine Collection Needs Protection	1
A Destination Club - With a Twist	2
Is Your Home Insured for Its True Value?	3

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Protect Your Teen Driver with a Frank Conversation



It is important to speak with teen-agers about safe driving tips and what to do in the event of an auto accident. This information prepares our new household drivers and potentially, can save money on insurance premiums. However, we rarely want to address the unthinkable and we often put it off until it is too late. Many parents have asked us about loss prevention ideas and facts about cell phone use, night time driving, etc. when dealing with a new household driver. Some of these statistics are quite gruesome; however, this article presents the perfect opportunity to discuss the risks and responsibility associated with driving.

The fact is, motor vehicle crashes are the leading cause of death among 15-20 year olds. According to the U.S. Department of

Transportation, 3,490 drivers in this age group died in motor vehicle crashes in 2006 and an additional 272,000 were injured.

Some statistics:

- Drivers age 15 to 20 years old accounted for 12.9 percent of all the drivers involved in fatal crashes.
- 25% of teen drivers killed were legally intoxicated (0.08% BAL or higher).
- 31% of all teen drivers killed in 2006 had been drinking to some degree.
- Speed related crashes account for almost half (44%) of all fatalities among 15-20 year olds.
- According to the California Highway Patrol, the presence of one additional teen male in a car *doubled* the chance of a fatal crash.
- 41% of teens that died were killed between 9PM and 3AM. Contrary to conventional wisdom - the majority of teenage fatalities occurred during daylight hours.
- 53% of teen deaths occurred on weekends.
- 65% of teen passenger deaths occurred when a teen was driving.

(Continued on page 2)



Make Sure Your "Liquid Assets" are Protected Too

Your wine collection is an asset too, and insuring it is as important as any other part of your insurance portfolio.

Many wine collectors spend years building up their wine cellars with fine and unique bottles so it's easy to see the value in protecting such an asset. What most don't know is that a typical homeowner's policy is not crafted to protect your high-valued collections. Generally, such policies do not cover your wine against losses detrimental to your collection - such as sudden

temperature change and earthquake. Furthermore, home deductibles of \$5,000 - \$10,000 can exceed the value of the loss.

The solution: Your wine, like other valuable collections, can and should be insured separately. Through a Collections policy catered to your wine collection's needs, you can savor your collection knowing that it's always protected against a broad array of perils such as: fire, theft, breakage, and earthquake, with a deductible to which there is no comparison: \$0.

At Fort Point Insurance, we are pleased to
(Continued on page 3)

One Key - A Destination Club with a Twist

Many times we've read about exciting new companies that started with a simple idea or an experience - and One Key is no exception. Two years ago, while planning a vacation for his family, Jay Sapovits, One Key Founder and CEO, had a dilemma: where can he find a luxury home large enough to accommodate his growing family, be assured that the website photos of the home were accurate, find a service to stock the home with groceries, plan activities for the children, and still manage to call it a vacation? The concept of One Key was born.

One Key is a flexible, inclusive destination club that provides its members with an unparalleled selection of well-appointed luxury homes in over 25 destinations. The membership plans are simple and uncomplicated: 15-, 25- or 45-night Travel Cards allow members to use their nights in any combination at any club destination. How about a five-night Caribbean vacation, and later in the year three nights in New York City for a theatre weekend? One Key believes its members should travel when they want and where they want. With no upfront deposit, annual dues or maintenance fees, members have the freedom to renew their Travel Card when nights have been used or simply walk away.

Each One Key home has been personally vetted by the *One Key Acquisitions* team. This group of hospitality pro-

fessionals has visited each home ensuring that everything from 600 thread count linens to the gourmet appliances and designer décor meet the highest standards of One Key. They have experienced the surrounding neighborhood, visited local restaurants and met with vendors. A recommendation to One Key members has a personal story behind it.



In addition to unlimited access to multi-million dollar homes, One Key provides personal concierge services for each member through the Member Services group. A traveling member is assigned to one MSR from beginning to end. One phone call to a single person begins the process of choosing a destination, providing home choices that meet the requirements of the member, and then securing all the ancillary services that transform a vacation

into an experience. One Key's attention to every detail ensures a carefree vacation. Imagine a vacation where all activities for the children are pre-arranged, dinner reservations made, spa appointments booked, private ski or tennis lessons waiting, or even a personal chef to prepare dinner one evening.

For busy professionals who have little time to spend with family and friends, One Key just makes sense. The choices are endless and the experience is effortless. For more information, please visit www.onekeyworld.com or contact Norm Katz at (949) 260-8444.

(Continued from page 1)

Talk to Teenage Drivers

- 16 year-old drivers had crash rates that were five times greater than 18 year-olds.
- Using seat belts can reduce the risk of dying in a car crash by 45%.
- Talking on a cell phone while driving reduces a teen's reaction time to that of a 70 year-old (statistically, drivers over the age of 70 should never drive while using a cell phone).
- Changing the radio station, CD player, or similar audio device, accounted for 41% of all auto crashes and 19% of all fatalities among teen drivers.

Changing habits regarding cell phones, car audio devices and speeding will greatly reduce accidents with young drivers. As a parent, there is a lot you can do to protect teen drivers or, equally important, as passengers in a

car. Our teens value our guidance when it comes to driving. Believe it or not, teens say their parents have the strongest influence on their driving behavior. **FP**

ACCIDENTS BY AGE OF DRIVERS, 2005						
Under 20	9,396,000	4.7%	6,300	10.1%	2,490,000	13.5%
20-24	16,886,000	8.4	8,900	14.3	2,640,000	14.3
25-34	36,003,000	17.9	11,300	18.1	3,820,000	20.8
35-44	40,394,000	20.0	10,400	16.7	3,420,000	18.6
45-54	39,851,000	19.8	9,600	15.4	3,060,000	16.6
55-64	29,685,000	14.7	6,600	10.6	1,610,000	8.8
65-74	16,492,000	8.2	4,200	6.7	800,000	4.3
Over 74	12,793,000	6.4	5,000	8.0	560,000	3.0
Total	201,500,000	100.0%	62,300	100.0%	18,400,000	100.0%

Insuring Proper Home Value

In the past year, over 3,000 Californians lost their homes due to wildfires. And while it may be too soon to tell, according to California's Insurance Commissioner Steve Poizner, as many as 25% of the homes destroyed may have been underinsured. Poizner states that approximately 30-40% of California homeowners do not carry enough insurance to rebuild their homes after a catastrophe.

However, California is not the only state where homes are underinsured. According to Marshall & Swift, approximately 58% of homes nationwide were underinsured last year by an average of 21%. This leaves homeowners asking the question "Am I adequately insured?"

Determining the replacement cost of a home is difficult and many homeowners are in the dark about how much insurance they should carry on their home. A common misunderstanding is that there is no correlation between replacement value and market value, or the price one pays for their home or lot. It is essential to assess the cost that it would take to replace your home. Rebuilding costs are on the rise and there are several reasons for the continued increase:

- ◆ Higher fuel prices affect rebuilding costs
- ◆ New Orleans was the biggest port in the U.S. importing gypsum and plywood and we are still seeing the effects hurricane Katrina had on the cost of home materials
- ◆ Copper prices have tripled since 2006
- ◆ Steel and concrete costs has doubled since 2006
- ◆ Roof shingles ,as well as many other materials, are in high demand due to the California wildfires, Midwestern storms and other related catastrophes
- ◆ Labor rates have escalated in areas hit hardest by wildfires in 2007 – San Diego, Los Angeles and Lake Tahoe.
- ◆ Contractors' rates are increasing due to the country-wide housing slow-down

Environmental factors have contributed to the annual increases in construction costs, building materials and labor rates which have exceeded an annualized rate of 6% - 9% in most parts of the country since 2004.

When determining the value of a home, homeowners should work with their agent to establish an agreed amount. It is wise to have an expert appraise a home to help determine the correct rebuilding/replacement cost value. Lastly, it is important to keep your agent apprised of any additions or renovations made to the home to ensure the amount of coverage reflects the proper replacement value. **FP**

Protection for Wine Collection

(Continued from page 1)

offer an array of insurance programs designed specifically to meet the needs of the serious wine enthusiast. We believe obtaining the right insurance is key. Depending on the extent of your collection, you may choose blanket coverage limits or schedule your bottles one by one. Insuring your collection under a separate policy can provide the following coverage:

Broad coverage. Our policies respond to damage from fire, theft, earthquake, flood and breakage.

150% replacement cost. If a covered item must be replaced, it's less vulnerable to market volatility.

Mechanical Breakdown. Coverage for loss due to temperature fluctuations resulting from failure of a climate control system.

Newly acquired items. New acquisitions are immediately covered at the time of purchase.

Worldwide coverage. Each piece included on the policy is protected, regardless of location.

Customized pieces. No matter how unique the collection, we can design a policy that adequately addresses your coverage needs.

Our Wine programs ensure that your investment of both time and money is protected against any loss. Our on-going relationship with leading wine experts provides us with the expertise necessary to provide a comprehensive wine protection program, including insurance coverage, loss control services and inventory systems.

The cost of insurance is approximately \$40 per \$10,000 of coverage.

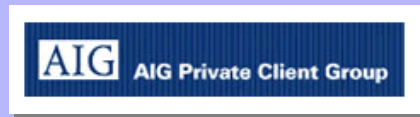
Please contact our office for more information on insuring your wine collection. In the meantime here are a few expert tips on maintaining the integrity and worth of your wine:

- The label on the outside of the bottle is just as important as its contents. Consider storing your collection in an environment with low exposure to dust, moisture, drips and ripping.
- Always store bottles so that the wine is in contact with the cork to keep the cork moist and prevent air from getting through.
- Consider pre-ordering replacement parts for your climate control system and/or installing a back-up generator. Mechanical failure can mean spoilage to an entire collection. **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. 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 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