



## Risk Management Report

**Prepared For:**

Jeffrey E. Epstein  
Zorro Ranch - 49 Zorro Ranch Road  
Stanley, NM 87056

**Prepared By:**

Willy Hammond  
AVP - Platinum Account Management



**In Partnership With:**

Insurance Office Central Ohio  
614-939-5333

**Date of Site Visit:** 5/5/2015

**Policy Number:** 0002406965

Insurance is underwritten by a member company of American International Group, Inc. (AIG). Private Client Group is a division of AIG. This report is a summary only. It does not include all terms and conditions and exclusions of the services described. Services may not be available in all jurisdictions and are subject to review and approval by Private Client Group. Services provided by third parties are not part of the insurance policy, are not guaranteed by Private Client Group, and may be discontinued at any time.



## Thank You

*Thank you* for choosing AIG Private Client Group for your personal insurance.

We are pleased to provide you with this customized report summarizing the results of the recent visit to your home. This complimentary Risk Management Report, along with any other information which you and your broker may have, can help you and your independent insurance advisor develop a comprehensive protection program for your family and property. Private Client Group will keep the information on hand for future reference. However, this documentation and information is proprietary to Private Client Group and is intended to be used by Private Client Group in connection with its underwriting.

This report presents our detailed analysis and documentation of your property which may:

- Assist You in Preventing Loss
- Facilitate the Claim Settlement Process
- Protect the Investment You Have in Your Home

The structural features and interior décor of your home were documented, digital photographs were taken and the square footage was calculated to estimate the cost to replace the home. If you disagree with any of the information in the report please let us know so that we may consider further evaluation.

Additionally, your loss prevention measures were reviewed to ensure that you are receiving all applicable premium credits and have protection commensurate with the requirements of your lifestyle. If opportunities to minimize the potential for loss or damage to your property were identified, options are presented within the report. This report is not, however, intended to be a substitute for the knowledge which you should obtain from your routine inspection and maintenance of the property, and is not meant to imply that every possible adverse condition has been identified.

Please discuss the contents of this report with your independent insurance advisor. We encourage you to notify your insurance professional if you make any future alterations in order to keep your property adequately insured.

In the unfortunate event of a loss, contact your independent insurance advisor or our Claim Department directly at [REDACTED] (fax).

Thank you for insuring with Private Client Group.



## Existing Protection

### Current Risk Management Features and Practices

The following safety features were identified during our inspection and may minimize the potential for a loss to occur. As a result, you may qualify for a discounted premium via a specific premium credit. To find out if you qualify, please contact Insurance Office Central Ohio 614-939-5333.

Features	Comments
Fire Alarm	Monitored Heat and Smoke Detectors
Burglar Alarm	Monitored Perimeter and Interior Protection
Signal Continuity	Back-up Alarm Communication
Temperature Monitoring System	Monitored Temperature Control
Perimeter Gate	Automated Residential Gate
Full Time Caretaker	Caretaker Lives on Premises Year Round



## Replacement Cost

The term 'replacement cost' refers to the cost of reconstructing the unique features of your home in today's marketplace using materials and design of similar quality. The replacement cost calculation includes appropriate fees for architectural services, permits, transportation of materials, labor and the contractors' overhead and profit in addition to the cost of materials. The estimate does not consider elements typically factored into your home's market value, such as land, landscaping, detached structures and the amenities available in your community.

The amount of insurance you purchase to protect your home should reflect the cost necessary to completely rebuild your home as it exists today - rather than the market value which is the price someone else is willing to pay to acquire it.

The replacement cost of your home takes into account the following factors:

- The added difficulty of getting materials to your property
- The quality and craftsmanship of interior finishes
- The special features that are highlighted in the photographs in this report

### Estimate of Your Home's Replacement Cost

<b>Area</b>	<b>Sq.Ft</b>	<b>x</b>	<b>\$ / Sq.Ft.</b>	<b>=</b>	<b>Total</b>
Living Area	22703	x	\$805.68	=	\$18,291,353.04
Finished Basement	6490	x	\$449.22	=	\$2,915,437.80
Attached Garage	907	x	\$249.10	=	\$225,933.70
Storage and Mechanical	2544	x	\$185.00	=	\$470,640.00
Loggia	889	x	\$25.00	=	\$22,225.00
Portal	900	x	\$150.00	=	\$135,000.00
Terrace	1949	x	\$125.00	=	\$243,625.00
Enclosed Patio	330	x	\$325.00	=	\$107,250.00
<b>Aggregated Cost/Sq. Ft</b>	<b>36712</b>		<b>\$610.47</b>		
<b>Total Estimated Replacement Cost</b>					<b>\$22,411,464.54</b>
<b>Rounded Total</b>					<b>\$22,411,000</b>

### Replacement Cost of Other Structures and Hardscape\*

<b>Structure/Hardscape</b>	<b>Replacement Cost</b>
Hardscape	\$500,000.00
Staff Residence and Garage	\$264,000.00
Pump House and Water Tank	\$43,000.00



<b>Structure/Hardscape</b>	<b>Replacement Cost</b>
Mechanical Building	\$200,000.00
Storage Shed	\$4,000.00
Lodge	\$300,000.00
Log Home	\$200,000.00
Hanger	\$278,000.00
Yurt / Gazebo	\$21,000.00
Pole Barn	\$236,000.00
Fire House / Storage	\$561,000.00
Storage #2	\$146,000.00
Storage #3	\$114,000.00
Cisterns	\$115,000.00
Greenhouse	\$225,000.00
Stables	\$875,000.00
Bunkhouse	\$750,000.00
Bunkhouse Garage	\$75,000.00
Shed	\$3,000.00
Loafing Sheds	\$10,500.00
Ranch Hand Residence	\$300,000.00
Ranch Office	\$135,000.00
Ranch Managers House	\$303,000.00
Ranch Assistant Managers House	\$205,000.00
Ranch Assistant Managers Garage	\$48,000.00
<b>Total:</b>	<b>\$5,911,500.00</b>

\*Hardscape refers to decorative elements of your property that are not physically attached to your main home such as driveways, stone walls, water features, walkways, gates, patios and arbors – but does not include living plants (landscaping). The replacement cost of some hardscape may have been estimated separately while the remainder has been grouped under a generic heading. You and your insurance advisor should consider this list as well as your other insurable interests when determining the appropriate amount of coverage for your property.



## Your Home and Property

During our visit, we documented the architectural and decorative features that distinguish your home and any additional structures on your property. This information is maintained as a helpful reference to assist you in the event of a claim. The special features of your home are illustrated in the following photographs.



Rear View

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Side View



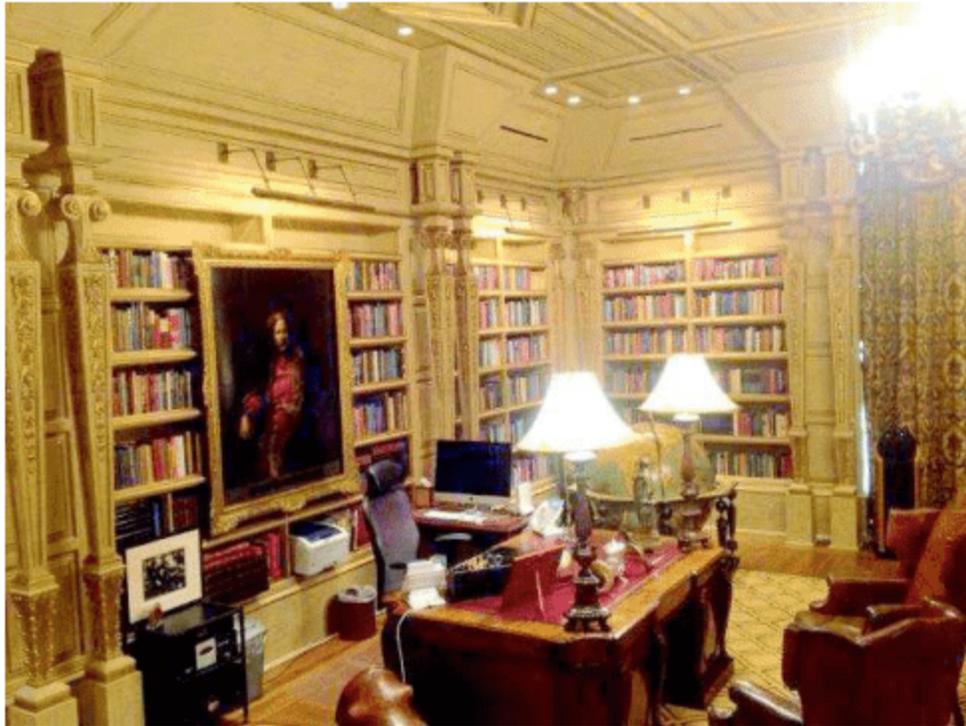
Great Room

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Kitchen



Office

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Swimming Pool



Garage

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Bunkhouse



Fire House

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Fire House - storage



Lodge

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Log Cabin



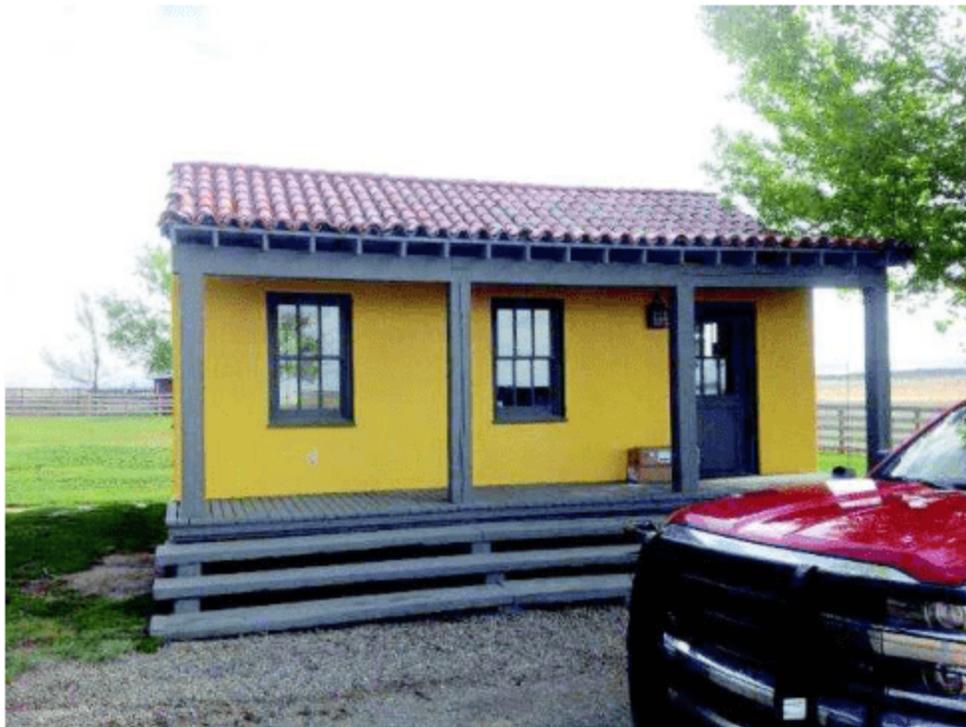
Pole Barn

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Ranch Manager House



Ranch Office

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Stables



Stables

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Fire CAFS Trailer



Fire Tanker

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Fire Truck

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## Superior Claims Service

### Taking Swift Action

- We respond to all new losses on the same day of report. Of course, claims specialists are always available 24 hours a day, seven days a week.
- If you face an immediate crisis, you will be contacted within one hour, regardless of time of day.
- Property damage is inspected within 48 hours of initial report.
- Payment of first-party claims will be made within 48 hours following satisfactory documentation of loss and agreement on damages.
- If a sentimental item is lost or stolen, we try to recover the item even after you've received settlement.

### Safety Tips

In the event of a fire:

- Exit the residence immediately
- Notify the fire department
- Do not attempt to re-enter the building
- Do not attempt to clean any smoke damage
- Do not disturb the area in which the fire may have started

In the event of water intrusion:

- Shut off the main water valve
- Do not touch electrical appliances
- Contact your plumber
- Remove valuable objects from harm's way
- Protect carpeting or floors with buckets and tarps

To report a claim, contact your independent insurance advisor Insurance Office Central Ohio at [REDACTED]

For immediate assistance, contact us at [REDACTED]; [REDACTED] (fax)  
Assistance for US-based clients travelling abroad: +1 [REDACTED]



## Your Risk Management Specialist

### **Willy Hammond**

Willy is Assistant Vice President of Platinum Account Management for AIG's Private Client Group's Risk Management Services Department. Willy has over 20 years of experience in insurance and construction and has been completing structural valuation, residential loss control and calculating replacement cost evaluations for high end custom homes. During his career he has inspected properties all across the country along with homes in France, Greece and the United Kingdom while working out of the Denver AIG office.

Prior to joining the AIG - Private Client Group, Willy was employed as the Building Official for the City of Sun Valley, Idaho and served as a NFPA Certified firefighter for the Sun Valley Fire Department. He also held the position of Building Inspector for Blaine County in Idaho. Willy also has previous technical and commercial underwriting experience.

Willy's education background includes a B.S. in Mathematics and Natural Science from the University of Wyoming. He is an ICC (International Code Council) certified residential and commercial building inspector and a Certified Level II and Building Science Thermographer – certificate #8190.

Over the years, Willy has developed long-standing relationships with builders, architects, designers, security consultants and fire department personnel. Willy has an in-depth knowledge of high-end construction, as well as experience in risk management and loss prevention techniques.