

# Personal Protection for the Affluent Market



Total Insurance Services, Inc. recognizes that, when it comes to insuring personal assets and liabilities, its affluent clientele has needs that are well in excess of those typically served by the insurance industry. A select few carriers actually cater to these clients in the way they construct policy offerings and service their policyholders.

Representing those carriers that specialize in the Affluent Market (including Chubb and Fireman's Fund), Total Insurance advises its clients just which insurance company and policy are best for them.

## Benefits over Features

Though insurance companies may tout features, a policy provision only matters to an insured if it represents a solution to a financial problem in the event of an insurable loss.

Before looking at specific policy provisions, it is crucial that we enter the insurance markets with expectations set high enough to cover essential needs and then some.

These expectations include:

- Financial stability
- Demonstrated expertise in the high value market
- Wide range of coverages and coverage options
- Stellar claim service
- Convenience
- Personal attention including prompt resolution of administrative items
- Innovative change

## Coverage Offerings with a Difference

A well designed insurance solution is customized to the insured's needs and takes into account a variety of lifestyle issues. Below is a summary of personal insurance coverages that are specifically geared to wealthy individuals and families.

**Residence:** *House, Condominium, Cooperative, Rental Unit, Vacation Home*

The goal is to protect the residence and its contents to avoid unpleasant surprises if a loss occurs. Here are some available benefits:

- **Rebuilding Costs** - An extended replacement cost coverage option will pay to have the home rebuilt in the event of a covered total loss, even if the cost is greater than the amount of coverage listed on the policy.
- **Rebuilding To Code.** If an insured rebuilds, they may be required to follow current, more stringent building codes for things like electrical wiring or plumbing. This could result in significant expenses. After a covered loss, coverage is available to pay these additional costs if the insured builds on the same location.
- **Cash Settlement Option** - One is not required to replace an item in the event of a loss. With a cash settlement option, one may opt to receive cash, up to the policy limit, if it is decided not to rebuild the home in the event of a total covered loss.
- **Contents without Depreciation** - The so-called "Deluxe" contents coverage can provide replacement cost up to the policy limits on all belongings, from sporting equipment to antique furniture, so the value of one's possessions does not depreciate.
- **Appraisal and Recommendations** - Carriers like Chubb provide a complimentary written and photographic documentation of a residence's unique features to help estimate replacement value. This review can also provide fire, security and safety recommendations to help protect families and possessions.
- **International property** - For family members who spend time abroad, coverage can be arranged for owned or rented property abroad and the contents of these homes.
- **City Home** - Insuring city brownstones, row houses and townhouses requires an appreciation of their historical significance and an understanding of their contemporary value. Valuation issues as well as loss of rental income reimbursement are handled properly in policies issued by carriers that cater to the affluent market.
- **Condo unit owners Coverage for unit assessments** - Coverage is available for a loss assessment by the condo association. Chubb, for example, will pay up to \$50,000 of an insured's share in most cases.

## Vehicle

Coverage that is tailored to the affluent market includes:

- **Agreed Value** – This provision locks in a vehicle's value for the entire policy term and does not reduce a claim for depreciation or deductible.
- **Lease Gap Coverage** – The difference between the value of a vehicle and the sum of the lease payments is something that many do not contemplate. Lease Gap coverage insures the difference.
- **OEM Parts** – Insurers in this market do not force insureds to use replacement parts.
- **Antique and Collector Vehicles** – These vehicles have value well beyond their function. It is critical that antique and collector vehicles be properly insured.
- **Worldwide Auto Coverage** – There is a true benefit in having one less worry when travelling abroad.
- **Loss of Use** – The standard insurance contract covers only the most basic of rental cars. Not only do the "deluxe" policies cover the costs of renting a vehicle similar in size to an insured's car, these policies also can cover the costs of meals, lodging and telephone expenses for losses that occur over 50 miles from the insured's nearest residence.

## Valuable Articles

When it comes to insuring fine art, jewelry and collections, the following benefits apply:

- **Worldwide Coverage** – Coverage extends for scheduled items to anywhere in the world.
- **No Deductible / No Requirement to Replace** – An insured will simply receive full value for scheduled items. In the event that replacement is elected, the requirement is that the replacement item be like kind and quality.
- **Mysterious Disappearance** – Coverage exists when an item goes missing without a formal event (like a theft documented by police report).
- **Unscheduled Blanket Coverage** – There is also coverage well in excess of the standard policy limits for unscheduled items.

## Liability and Excess Liability Coverage

There are differences between the liability coverages offered in standard insurance policies and the deluxe forms. These include:

- Higher Limits In General
- Uninsured and Underinsured Motorist
- Directors and Officers Insurance for Not for Profit Board Members
- Employment Practices Liability and Workers' Compensation Coverage for Domestic Employees

### Watercraft

"All-risk" watercraft coverage contains some items not typically available elsewhere, such as:

- Coverage for 12 full months of navigation
- No exclusions for mechanical breakdown, faulty repair or damage caused by ice or freezing.
- Replacement cost valuation based on the age and insured value of the vessel
- Agreed value based on the age and insured value of the vessel
- Precautionary measures
- Emergency towing and service

### Miscellaneous

- Identity Theft / Fraud Monitoring
- Kidnap and Ransom Insurance
- Family Protection
- Flood Coverage
- Family Office Coverage
- Aircraft and Aviation

## Assessing a Program

Knowing that there are a variety of coverages available to meet one's needs is only the first step in the process of making sure that a program of coverage is appropriate.

The next step is to match coverages with needs, always with an eye to assuring that such needs are more than just adequately covered. At Total Insurance Services, Inc., we help clients, along with their advisors, move from theory to implementation.

Schedule an appointment with us to discuss how we can assist you!

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