

Assets at Risk

A property and casualty checklist for you and your family.

You've worked hard to accumulate your assets. Yet a single serious property loss or liability judgment can wipe out all the benefits of a solid financial plan.

Protecting Wealth

It is very common that over time, your risk profile — what you have to lose from a personal property and casualty perspective — will tend to outgrow your insurance coverages, leaving you vulnerable. Increased public prominence, the purchase of an additional home, even the adoption of a new hobby, can alter your insurance needs in unforeseen ways. Many successful individuals have complex, rapidly changing risk profiles demanding sophisticated, specialized risk management services.

Protecting Your Future

Identifying a need before it becomes a problem is key. Working with Marsh Private Client Services to help manage your complex risks will help you foster the security and peace of mind that come from knowing your assets and the lifestyle you have worked hard to achieve are protected.

Insurance Red Flags

Keep this checklist of red flags handy. If any of these “symptoms” of increased property or casualty risk exist, we recommend a comprehensive review of your coverage by an insurance broker specializing in placing complex risks.

Do you:

- own multiple, high-value homes in multiple states?
- own a home in a foreign country?
- own a condo as a second residence or investment?
- own property located in a catastrophic loss area?
- plan to remodel or expand an existing home?
- own a home with historic features or unique building materials?
- have a guest house, pool, or other high value structures?
- co-own or have property titled in trust or an LLC?
- have significant collections of art, cars, or other valuables?
- own antique cars that are used on a limited basis?
- own aircraft, large boats, or thoroughbred horses?
- have domestic help (either full- or part-time)?
- have a child away at school?
- have a high-visibility career or lifestyle?
- serve on boards of profit or not-for-profit organizations?

Examining the Issues

This chart provides a more detailed look at the red flags and the issues they raise. Even one area left unaddressed could result in an asset being inadequately protected and create the potential for financial loss. An insurance broker who is well-versed in the unique risks associated with complex high net worth lifestyles can address the issues discussed below.

Assets at Risk	Issue
Multiple out-of-state properties	Multiple agents create the danger of liability limits not being adequate or not meeting the required minimum limits of an umbrella policy placed through a separate agent.
A foreign residence – a local (foreign) agent/company is used for insurance coverage	Foreign exposures present unique risks. Local policies provide very restricted coverage compared to domestic policies, can be written in foreign languages, and could create liability gaps. An insurance broker with global resources can help align local policies.
A condo as a second residence or investment	Condos need special additions and alterations and loss assessment coverages or the owner could face substantial out-of-pocket costs, including loss of rental income.
Property in a catastrophic area	Coverage availability is limited. Some insurance carriers are declining to renew existing policies or refusing to write any new business. Flood coverage can also be problematic.
Home remodeling, upgrading the kitchen, putting on an addition, or adding a pool	On many homeowners policies, extended replacement cost is restricted whenever \$5,000 in improvements are made. Theft of construction materials is usually excluded.
An older residence that has unique features and obsolete building materials	Most homeowners policies do not allow for replacement of unique features with materials of like kind and quality and workmanship.
A guest house, pool, or other structure of significant value on the property	Coverage for other structures on a homeowners policy is usually restricted to 10 percent of the dwelling.
A property co-owned or titled in trust	Unless properly structured—with all those with an interest in the property so named on the insurance contract—coverage may not extend to the trust or co-owner.
Valuable items, such as a \$10,000 watch, \$15,000 shotgun, or \$25,000 silver set	Standard homeowners policies restrict losses on valuable items to \$1,500 for jewelry, \$2,500 for firearms, and \$2,500 for silver.
Antique or sports cars with limited use	A standard auto policy charges too high a premium relative to the use of the car.
Large yacht or private aircraft	Special coverage is required and is not generally available through standard insurers.
Domestic help	State statutes may require that employees need to be covered for workers' compensation through an insurance policy. Homeowners insurance does not provide workers' compensation benefits coverage.
An individual with high visibility	A high-profile person is more of a target for a lawsuit when there is potential legal liability. Coverage should at least match an individual's entire net worth and future earnings.
An individual on the board of a for-profit or not-for-profit organization	Personal liability coverage has no provision for breach of fiduciary responsibility or other activities for which a director may be held liable.

About Marsh Private Client Services

At Marsh PCS, a division of Marsh USA Inc., we design personal insurance solutions to protect our clients' unique lifestyles and offer lasting peace of mind.

We are a leading independent insurance brokerage focused on the high-net-worth market, serving approximately 18,000 clients in the US. As a trailblazer in risk management advisory services, we have built a reputation of bringing innovative solutions to the marketplace. Our data, analytics, customized programs, and comprehensive review process, coupled with our broad, global reach give our clients a distinct advantage.

To learn more, contact Marsh PCS or visit marshpcs.com.

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