



Are your clients working with the right insurance resource?

Insurance advisors, like financial advisors, are not created equal. Effectively managing families with high-value assets and elevated personal liability exposure requires specialized expertise.

Most, if not all, of your clients will have a preexisting relationship for their property and casualty insurance. However, our experience has shown that many families of wealth unwittingly outgrow their coverage and can be severely under-protected.

You don't have to be an insurance specialist to help your clients assess their choices. Following are factors to consider when evaluating an insurance advisor:

Captive vs. independent agents: a critical distinction. Captive (or "direct") agents represent only the company for whom they work; they can only sell its proprietary products and services. Conversely, independent insurance advisors have access to multiple insurance companies and are capable of "shopping around" for coverage. They work for your clients.

Properly addressing vulnerabilities. A good insurance advisor will start with a comprehensive needs assessment based on information gathered from personal discussions. In addition to physical assets, family circumstances, travel frequency, passions or hobbies, and business or estate planning activities all can contribute to personal risk. It is the advisor's job to consider these factors and design a customized insurance program with robust solutions tailored to that family.

The right coverage, at the right price. Despite what popular advertisements tell us, insurance value is not driven solely by the size of the annual premium. Your clients also must consider the hidden costs of an uncovered claim out-of-pocket expenses, lost time and frustration (to name a few). A solid insurance advisor will look beyond premium and offer solutions that truly address the special circumstances they face.

Proactive outreach. An insurance advisor should reach out to clients at least once a year (preferably 60-90 days prior to renewal) to determine if there have been any lifestyle changes that may prompt a change in insurance. For families with substantial assets, reviews may need to take place semi-annually or quarterly (depending on their lifestyle or buying habits). A lack of consistent communication may indicate that it's time for a change.

For more information, please contact an independent insurance advisor or visit www.aig.com/pcg.

