



Seven Things To Consider When Choosing A High Net Worth Policy For Your Client

Not all insurance policies are created equal, which is also true of High Net Worth cover. The better insurers that operate in this market are always innovating to cater to the unique circumstances and personal passions of highly discerning clients.



High Net Worth individuals have particularly stringent needs when it comes to safeguarding their assets. As an individual's wealth profile changes, so do their insurance coverage requirements. As such, product innovation from leading insurance providers is of particular interest to wealthy clients.

Here, we look at seven things to consider for High Net Worth insurance policies.

1. GENUINELY BESPOKE COVER:

Cover limits in standard home and contents policies are usually not adequate for High Net Worth clients, which is why limits in High Net Worth policies tend to be higher. These limits apply, but are not limited, to assets such as jewellery, art and wine collections. Policies may also be underwritten based on the client's particular circumstances, following an exchange of knowledge and expertise between the broker, the insurer and the insured.

Mrs. X had never insured her extensive jewellery collection due to the perceived high cost of cover, and didn't want to draw attention by fitting a safe in her home. Her broker discussed the concern with AIG Private Client Group who were able to provide a solution. Mrs X was introduced to a specialist vault facility where she could keep her jewellery. Her broker was then able to negotiate a policy priced around a 'floating' jewellery limit, which allows Mrs. X to wear jewellery up to a certain value throughout the year with full insurance cover in place, while other pieces are stored in the vault.

A standard off the shelf policy may simply have provided premium pricing based on a computer algorithm, which would factor the risk of insuring such a large collection against a list of standard variables. By working with her broker, and through a solutions-based servicing approach that included open discussion with the insurer, Mrs. X benefited from flexible underwriting that provided full cover for a reasonable premium. The solution also meant Mrs. X did not need to fit a safe at home. In this case, the broker was able to assess the client's specific needs, ensure the underwriter had a full picture of the client's lifestyle and jewellery-wearing habits to provide cover.

2. ADDITIONAL REBUILDING COST AND CASH SETTLEMENT:

This optional feature is available under an AIG Private Client Group Home Policy. In the event that a High Net Worth client's home is destroyed, Additional Rebuilding Cost coverage will provide for the reconstruction cost (other than excavation and related costs) to rebuild the property. If a client's home is insured for \$2m, is destroyed by fire and actually costs more to rebuild, AIG will pay the reconstruction cost to rebuild the home.

Moreover, the AIG Private Client Group Home Policy can often provide cash settlement as an alternative to simply replace the asset that is the subject of the claim. This is often a very attractive option for High Net Worth customers, who may be claiming for an item that is very difficult to replace due to its unique design or rarity.

Mr. Y owned a rare, limited edition Rolex valued at \$80,000. It went missing after a visit to his local gym. After reporting the loss to police, Mr. Y lodged his claim with his High Net Worth insurer. His claim was verified and the full replacement value was deposited into his bank account within four hours.

3. SUPERIOR CLAIMS SERVICE:

Wealthy clients appreciate a superior level of service. Being able to provide them with this level of claims service as a standard part of their High Net Worth policy is a service trend that makes a difference. At AIG Private Client Group, in the event of a claim, we will work with the customer's broker, and a dedicated specialist from the Australian claims team will be assigned to the client. This person becomes the single point of contact while the claim is being settled. High Net Worth claims staff are trained and authorised for this.



4. WORLDWIDE CONTENTS COVER:

Clients who take out a High Net Worth policy will often have a number of homes, sometimes in numerous locations around the world. A good home and contents policy should protect a client's assets no matter where they are in the world, and include worldwide cover, which ensures items covered by the policy are protected if they are damaged in transit.

5. EQUAL ABODE:

When a High Net Worth client suffers a covered event that means they are not able to remain in their primary residence, they expect cover for appropriate alternative accommodation. AIG Private Client Group's Home Policy will cover the cost of alternative accommodation to maintain their usual standard of living, with no value cap, for up to a maximum of four years from the date of the loss.

6. ENHANCED COVER:

In addition to providing insurance cover to help protect the homes and assets of successful families, a small number of High Net Worth insurers provide specialist assistance in the form of complimentary Risk Management Services. Experienced consultants will offer to visit a client's home to provide suggestions to help improve and protect their homes against a range of risks. Aggravated burglary, fire, water damage and art collection management are topics often discussed with clients to help them minimize or manage risk. Specialist High Net Worth insurers will often be able to refer clients to a range of third party providers such as picture restorers, jewellery valuers or art storage facilities for instance, to access specialists in these areas.

7. EXTRAORDINARY CIRCUMSTANCES:

Public and personal liability cover is top of mind for High Net Worth clients. The better High Net Worth insurance providers will offer higher coverage amounts for personal liability to reflect the potential increase in exposure faced by High Net Worth clients and their families. AIG Private Client Group offers \$30m in personal liability cover. This recognises that wealthy clients will have increased exposure from time to time, due to the nature of their lifestyles.

Furthermore, the personal safeguard section of High Net Worth policies should provide additional cover to respond to aggravated circumstances, such as home invasion, or car jacking. Innovative policies will provide up to \$25,000 for improvements to home security and up to \$50,000 for temporary relocation to another residence, plus support services such as medical or health treatments following such events. AIG Private Client Group's Home Policy provides these covers to further help protect our clients.



Family Z experienced a deliberate home invasion attempt to their home. Their High Net Worth policy covered the full cost of installing a new alarm system, CCTV and improved perimeter security to better protect their personal security and property.

It is worth taking the time to compare policies and ensure the one chosen offers the very best for High Net Worth customers. The better providers are constantly reviewing market trends, customer behaviours and preferences to develop innovative new solutions, improve their service levels and offer clients more benefits.



AN EXPERIENCED TEAM AT YOUR SERVICE

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For additional information, please visit our [website](#).



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