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Protecting International Assets for High Net Worth Clients: Seven Crucial Questions to Ask

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High net worth (HNW) and ultra-high net worth (UHNW) clients who own properties in multiple countries face unique challenges when it comes to protecting their assets and protecting themselves from liability exposure.

Ensuring they have the right coverage requires a thorough understanding of their international exposure, the intricacies of global insurance regulations, and which policies provide worldwide coverage, and which do not.

Here are seven crucial questions to ask HNW and UHNW clients to optimize their property-casualty insurance and risk management programs when it comes to owning and protecting international assets:

Where are the properties located and how are they used?

First, identify all the countries where your clients own properties and determine the types of properties they have, whether they are residential homes, investment properties or commercial buildings. Knowing this will help agents understand the specific insurance

requirements and risks associated with each location. For example, a beachfront villa in the Caribbean will have different coverage needs compared to a penthouse in New York or a vineyard in France.

What are the local insurance regulations and requirements?

Each country has its own insurance regulations and requirements, it's important that clients comply with local laws and any mandatory coverages.

Additionally, agents should look into any specific exclusions or limitations in local policies that could create gaps in coverage.

How are the properties and collectibles currently insured?

Insureds should take time to review their existing insurance policies with a private client broker for each property they own and review their valuables collection. Agents should check the coverage limits, deductibles, and any special endorsements to ensure clients have broad coverage where available. It's

crucial to identify gaps in coverage leaving clients exposed. Ensuring their art collection is properly scheduled at each of their homes is crucial for maintaining the right coverage and being charged a premium that accurately reflects their exposure.

What are the risks specific to each location?

Different locations come with different risk profiles. Clients should understand and evaluate risks, such as natural disasters (earthquakes, hurricanes, floods, wildfires, etc.), political instability and crime rates. They should consider the long-term effects of climate change on their properties and how that relates to the property insurance market. Understanding these risks will allow agents to tailor the insurance policies to provide comprehensive protection that aligns with the client's risk tolerance and intended utilization of the insurance contracts.

Do clients have adequate liability coverage?

Liability events represent the biggest

threat to a client's balance sheet and coverage is essential for all HNW and UHNW families, especially when it comes to portfolios with international properties. Having the appropriate limits means their net worth is not unnecessarily exposed, and they have transferred this risk to an insurance company. Ensuring all trusts, limited liability companies and titled owners are listed on the umbrella policy is critical in aligning their estate plan with their insurance and risk management program.

Have clients considered their cyber exposure as a global citizen?

Cyber threats are rapidly growing and are disproportionately impacting wealthy families across the globe. As technology advances, the threats only become larger. Cyber attacks come in many forms like social engineering, ran-

somware, and deepfake phone calls to name a few tactics. Encourage clients to remain educated on the current state of cyber attacks. Having a strong risk management plan in place to avoid this from happening is a critical component of all private client insurance programs. While brokers hope these risk management measures keep clients safe for the long term, carrying a high limit of cyber protection is a prudent measure to take for anyone who owns properties in multiple countries.

Do clients have one team of brokers to manage their program internationally?

Managing multiple insurance policies across different countries can be complex. Hiring a specialized team of brokers with access to global markets and experience managing these programs will streamline this process and create consistency across a global pri-

vate client insurance program. The right team will ensure all policies are up to date, coverages are aligned across countries, and claims are managed efficiently.

By asking these key questions, brokers can gain a comprehensive understanding of a client's unique situation and provide customized solutions to optimize their international P-C insurance program, tailoring it to their specific risk tolerance. The goal is to ensure they are well-protected against a wide range of risks and compliant with all local regulations, giving them peace of mind about their most valuable assets. ■



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