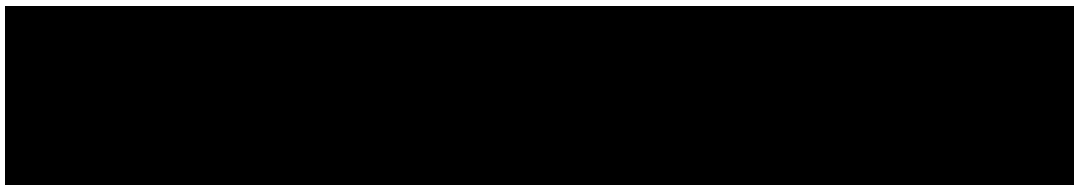


# Willis Towers Watson

*Private Client Practice*

Presented by: Wayne Salley, ARM



# Willis Towers Watson

## Personal Lines & Private Client - Who We Are

A group of more than 180 professionals in the US and Canada focused solely on personal insurance, with another 30 professionals located elsewhere around the globe.

# \$47.5M

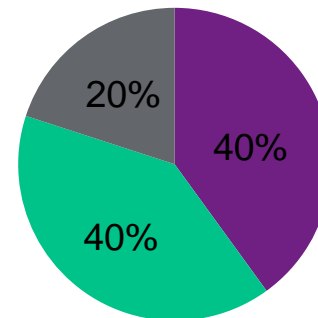
Revenue

# 180 US, 30 more globally

Associates

# 15

Countries



- Personal Insurance – Main Street
- Private Client
- Family Office

Financials based on calendar year 2014 results, pro forma for the merger, completion of Willis' acquisitions of Miller and Gras Savoye, and full year run rate contributions for Willis' acquisitions of IFG, Max Matthiessen and Charles Monat. (1) See Willis and Towers Watson non-GAAP measures for definitions.

# Willis Towers Watson

## *Personal Lines & Private Client – What We Do*

Willis Towers Watson Personal Lines design and manage personal insurance programs for clients ranging from the first time home buyer to high net worth individuals and families.

### *Placement Capabilities*

- Residential Properties
- Automobiles & Recreational Vehicles
- Boats, Yachts & other watercrafts
- Collections- (art, jewelry, silverware, etc.)
- Personal Excess Liability & Umbrella
- International Travel & Accident
- Identity Theft & Cyber Security
- Farm, Ranch, Country Estates
- Private Aviation
- Family Office
- Group Personal Excess for Corporations
- Kidnap & Ransom
- Domestic Workers Compensation
- Individual Life, Disability & Long-Term

Financials based on calendar year 2014 results, pro forma for the merger, completion of Willis' acquisitions of Miller and Gras Savoye, and full year run rate contributions for Willis' acquisitions of IFG, Max Matthiessen and Charles Monat. (1) See Willis and Towers Watson non-GAAP measures for definitions.

# Willis Towers Watson

## *Personal Lines & Private Client*

*We start with YOU and YOUR CLIENTS!*

Here's what we've heard from colleagues, clients and advisors:

- You have complicated needs and situations.
- You're currently using several brokers and carriers.
- There is no central repository for information or back up of information.

Some other things we hear from clients and advisors:

- We want a pro active approach – not just order takers.
- What do other families like us do? We need benchmarking.
- What about claims, do you help us, and how?
- We get too many bills, they are hard to understand and they are often wrong.

This is a very personal practice for us. We hire experienced personal insurance experts, empower them to do what is right for clients and they treat them like family. We provide a service to our clients that goes unmatched. We pride ourselves on our comprehensive risk management programs tailored to every clients specific needs.

# Willis Towers Watson

## *Personal Lines & Private Client*

### *Client Risk Evaluation*

Our program begins with a risk evaluation that includes:

- An in depth analysis of existing personal insurance program
- Identification of assets at risk and other exposures
- Quantification of loss potential

After the assessment phase is completed, we provide:

- A comparative analysis of existing coverage and alternative structures and insurance companies
- Recommendations for program improvements
- Suggestions for loss prevention

Once a program is implemented, a dedicated Client Manager delivers ongoing day-to-day service and program management and acts as a portal to Willis Towers Watson Global Resources.

# Wealth Management/Personal Risk Management

- Initial Review and Analysis
- Determine Goals and Timeline
- Implement Program
- Monitor & Adjust



## Assets at Ri\$k

- Home & Automobile
- Primary & Excess Flood
- Aircraft & Watercraft
- Valuable Articles and Collections
- Excess & Umbrella Liability



# Willis Towers Watson

## *Personal Lines & Private Client*

### *Risk Management Red Flags*

- Multiple Brokers/Agents or insurance carriers in a single client insurance program
- Rebuilding cost of home versus market value
- Lack of any ongoing review process as client needs change
- Public or media exposure
- Changing players on client service teams
- Coastal property or property in catastrophic locations
- International exposures
- High limit personal liability coverages (or the potential need for it)
- Significant valuables – art, jewelry, fur, wine, silver, other collectibles
- Dwellings under construction
- Property in alternate ownership structure – Trusts, LLCs, FLPs, etc.
- High performance vehicles and/or watercraft
- Young drivers in the household
- Directorship exposure, both for profit and non-profit
- Domestic employees



# Personal Risk Management

- **Determine Assets at Risk**
- **Identify Potentials for Loss**
- **Analyze Existing Insurance Policies**
- **Develop Recommendations/Alternatives**
  - **Avoidance**
  - **Reduction**
  - **Retention**
  - **Transfer**
- **Implement & Monitor**

# Willis Towers Watson

## Personal Lines & Private Client

### Top 10 Carriers

We have built decades long relationships with the most valued insurance carriers across the globe making it possible to negotiate cost effective insurance programs on behalf of our clients.



## Deductibles

- **Inconsistent - Throughout all Policies**
- **Inappropriate - Value of Home vs. Deductible**
- **Unknown - Wind / Hail % (Hurricane)**
- **Do they make economic sense?**



# GRC = Guaranteed Replacement Cost



- **Guaranteed Replacement Cost (GRC)**
- **Condo / Co-op Additions & Alterations**

## **GRC – Acronym for ?**

- **Gets Really Close!**
  - **Is the limit capped? CA & FL.**
- **Gets Really Complicated!**
  - **Is there a co-insurance clause?**
- **Get a Reliable Contractor?**
  - **Who determines the limit?**
- **Go Read Contract**

# FLOOD INSURANCE = NFIP



- **NFIP Maximum is \$250,000 Home, \$100,000 Contents**
- **Higher Limits are available**
- **Mapping is critical!**
- **Surface Water can now be endorsed to a homeowner policy!**
  - **Basements**

# AUTOMOBILE PHYSICAL DAMAGE



Agreed  
Value



**Stated amount on policy is the settlement value  
with no deductible applied.**

# UMBRELLA LIABILITY LIMITS



- **Has it Kept Pace with:**
  - **Net Worth**
  - **Life Style**
  - **Life Events**
- **Defense Costs**
- **Directors & Officers**
- **Group Umbrella Policy!**



# Willis Towers Watson

## *Personal Lines & Private Client*

### *Proposal Executive Summary Sample*

#### Executive Summary:

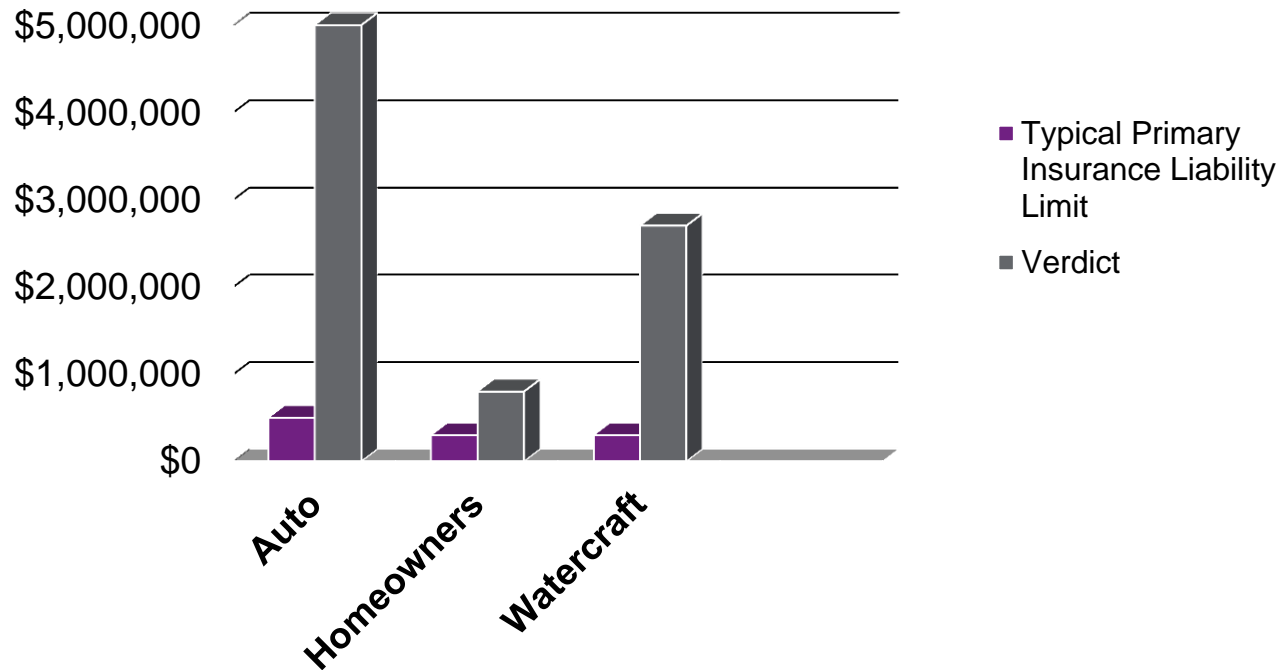
We have identified five (5) major issues as a result of our visit with you last week. They are as follows:

- You have multiple carriers with multiple effective dates and complicated billing. We intend to place all coverage with one carrier, offer one effective date and bill all policies through our system to simplify your program.
- Based upon rebuilding cost estimates your home is underinsured by 25%.
- You have no flood insurance on any location and you mentioned that you need it. The recommended carrier, will provide flood coverage for all locations.
- Each of your locations has some technology that requires equipment breakdown coverage. This coverage is provided in our proposal. It is not available from your current carrier.
- Your art collection hasn't been appraised in over six years. The Post-War & Contemporary Art market has increased dramatically since then. A new appraisal is necessary immediately.

# Willis Towers Watson

## Personal Lines & Private Client

### The Importance of Excess Liability Insurance



If you walk away from this conversation with nothing else, please call your current insurance agent and increase your umbrella limit to 5 million and add the Personal Injury Endorsement onto your Homeowner's Policy.

# The Role of a Broker

- The one who asks the questions.
- Thinker
- Planner
- Problem Solver / Solution Finder
- Negotiator
- Deliverer

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