

AGENT SALES TIPS: AFFLUENT MARKET

INSURERS AIM HIGH

Carriers Look To Cover Lifestyles Of The Rich & Famous

Carriers have special units to cover assets of the rich, as well as offer loss control

BY STEVE TUKEY

THE RICH ARE DIFFERENT from you and me. In addition to having more money, they have more extensive personal insurance needs.

In response, many of the top personal lines carriers have developed programs especially suited to the needs of this lucrative niche market: that focus much more on loss prevention—since, basically, there is often so much more to lose.

Ross Buchmueller, president of AIG Private Client Group, a division of New York-based American International Group, said his company offers the kind of services that result in fewer claims and more profitable underwriting.

"If you take one of these truisms of the market that says if there is a claim, rich people want the claim to be handled very swiftly and fairly—that is all true," he said. "But the one thing that is true is that they would love for you to prevent [the loss] from happening in the first place."

Services such as art collection management and kidnap and ransom insurance will not only result in coverage for the kind of losses that only a certain economic class will likely incur, but also services that hopefully will prevent claims from ever being necessary.

For example, the division has two full-time staff members who can assist clients with the packing and shipping of museum-quality artworks that are often transported for either temporary exhibition or to the new home of the owner.

"In the case of artwork, we have the incentive that if you loan the artwork to a significant exhibition and we do it safely, the provenance is enhanced, and therefore the value is actually increased," Mr. Buch-



The wealthy have many unique personal insurance needs, such as coverage for fine art, collectibles, jewelry, classic cars or even kidnap and ransom insurance.

mueller said. "It is actually one of the unique opportunities we have to enhance the value, rather than preserve it."

Other services offered by AIG include extensive personal screening for domestic help to prevent unfortunate situations down the road, along with assistance in obtaining workers' compensation coverage for any household help.

"One of the expectations in this segment, compared to the standard home-owners market, is that the coverage will be broader," Mr. Buchmueller said, "and yet over the past couple of years, the market

has started to restrict coverage for things such as water damage." Private Client Group customers face no such restrictions. Indeed, starting last month PCG policies now cover for the first time all surface-water peril, such as from overflowing rivers and melting snows.

Such coverage does not necessarily show itself in the premiums. "People might say that rich folks may pay more for quality, but it does not necessarily mean it has to cost more because they are willing to pay more," Mr. Buchmueller said. "That is why so much of our energy