



BRUNSWICK
COMPANIES

Insurance Experts Since 1972

P&C Trends and Inflation

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Brunswick Companies

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Importance of Insurance Audit

As wealth changes, often the insurance protection does not...

- ✓ Determine if the wealth created has the proper protection.
- ✓ Identify the exposures of risk and the options for transferring to a policy.
- ✓ Validate that the insurance has maintained pace with personal assets and property changes.

74%

Consumers lack key coverages and high enough limits



The Growth Opportunity

- ✓ *Nearly 40% of successful individuals would consider switching to an advisor who provided P&C support.*
- ✓ *85% of successful families believe it is of significant importance that their advisors help them navigate all of their financial matters.*
- ✓ *77% of successful individuals want their advisors to provide P&C insurance support.*
- ✓ *Only 28% of advisors address clients' P&C needs*

**Source - Oliver Wyman, Global Management Consulting Firm*

Personal Insurance Solutions

*Standard or Customized Plans
Designed to Evolve with Your Needs:*

- ✓ Homes/Land
- ✓ Fine Arts/Jewelry
- ✓ Automobiles/Collector Autos
- ✓ Recreational Vehicles
- ✓ Personal Collections
- ✓ Umbrella/Excess Liability
- ✓ State of the Art Electronics
- ✓ Watercraft/Yachts
- ✓ Personal Employees



Universe of Risk Advisors

Independent Brokers



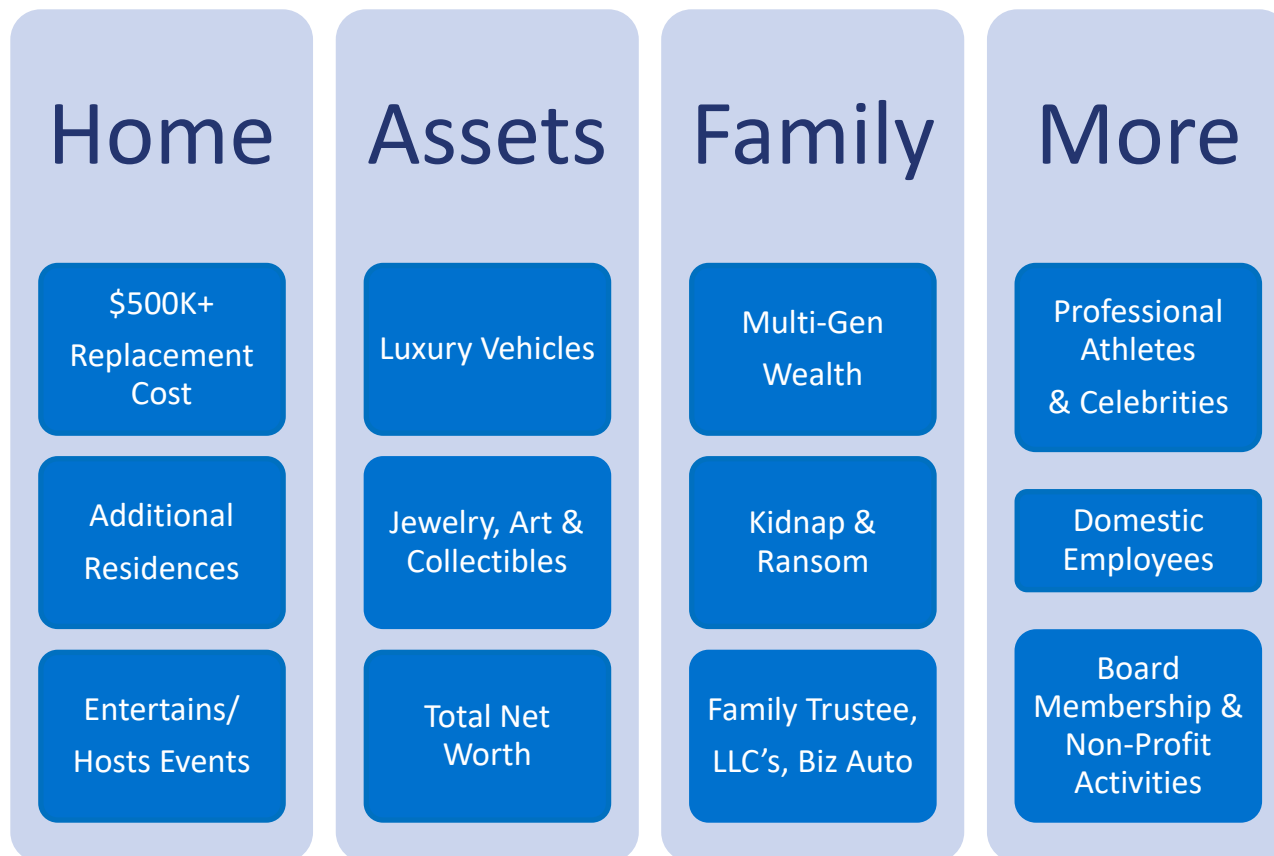
Captive Agents



Direct Response Companies



High Net Worth – Who Qualifies?





Every policy is
different...

Natural Disasters

✓ *What's the Plan?*

- ✓ Property Manager
- ✓ Vehicle Evacuation

✓ *Proper Wind Mitigation*

- ✓ Hurricane Glass
- ✓ Storm Shutters

✓ *Excess Flood*

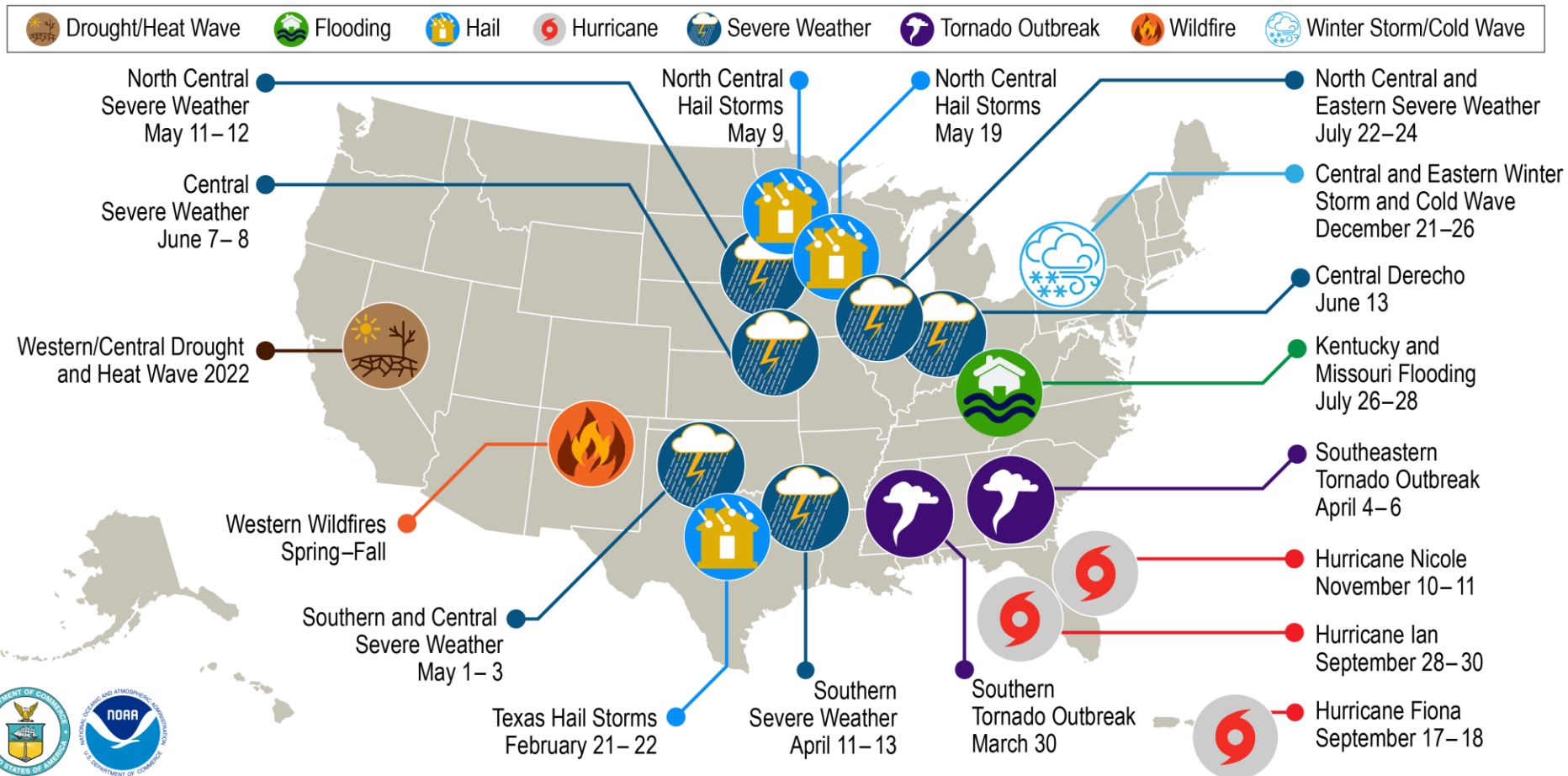
- ✓ FEMA vs. Private

✓ *Do you have the right carrier?*

- ✓ Foam Protection
- ✓ Drone Coverage
- ✓ Claim Response/Adjuster Experience



U.S. 2022 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 18 separate billion-dollar weather and climate disasters that impacted the United States in 2022.






Florida

- ✓ **Ian:** Projected up to \$100B in total claim payout
- ✓ **Reinsurance:** Up 50%; Between 35% - 50% of homeowner's premium
- ✓ **Pricing:** Overall premium rate increases averaging 30-50%
- ✓ **Litigation:** 80% of all homeowners' insurance lawsuits in the U.S. come from Florida; only 9% of all homeowner claims
- ✓ **Carrier Exit:** Moratoriums on new biz and non-renewals
- ✓ **Capacity:** Non-Catastrophic and Excluding Wind




All Other Coastal Properties

- ✓ ***Ripple Effects:*** Recover losses
 - ✓ ***Water Claims:*** #1 reason for non-renewals
 - ✓ ***Wind Mitigation:*** Hurricane windows/doors/shutters
 - ✓ ***Elevation:*** Only positive
 - ✓ ***High Deductibles:*** No longer an option
- 




What do you tell your coastal clients?

- ✓ *Do not give carriers a reason to non-renew*
 - ✓ *Upgrade construction/improvements*
 - ✓ *Bundle policies if possible*
 - ✓ *High deductibles or exclude wind*
 - ✓ *Confirm insurance before purchase*
 - ✓ *Pay cash & Self-Insure or ex-wind*
 - ✓ *Remove vehicles during off-season*
 - ✓ *Confirm umbrella coverage*
- 



What do you tell your NONcoastal clients?

- ✓ *Inflation is real*
 - ✓ *New requirements are not optional*
 - ✓ *Water claims are the devil*
 - ✓ *Don't turn in small claims*
 - ✓ *Remove adult children from policies*
 - ✓ *Update appraisals*
 - ✓ *Ask when is the last time they've been shopped*
- 



Feel the LOVE



- ✓ *Annual review?*
- ✓ *Agency was purchased*
- ✓ *Agent retired*
- ✓ *Revolving door of servicing*
- ✓ *Service center*
- ✓ *Outgrown carrier*
- ✓ *Same carrier – auto renewal*
- ✓ *Ask when is the last time they've been shopped*

**70% of HNW
clients are NOT
with HNW carriers.**

Cyber

- ✓ *Social Engineering*
- ✓ *Unauthorized Transfer or Payment*
- ✓ *Criminal Deception*
- ✓ *Forgery or Alteration of Checks*
- ✓ *Acceptance of Counterfeit Money*
- ✓ *Identity Fraud*
- ✓ *No crypto.. YET!*



Cyber Insurance

- ✓ *Identity Theft*
 - ✓ Forensic Accountant
 - ✓ Consultant/Attorney
- ✓ *Cyber Attack*
 - ✓ Data Recovery
 - ✓ System Restoration
 - ✓ Cyber Bullying
- ✓ *Cyber Extortion*
 - ✓ Ransomware
- ✓ *Online Fraud Coverage*
 - ✓ Unauthorized Use
 - ✓ Forgery
 - ✓ Voluntary Deception

95% of cybersecurity breaches are caused by HUMAN ERROR

\$100K in coverage for <\$200 annually

Claim Example #1 - Cyber Attack

- *Client opened a file in an email sent from son at college.*
- *Unleashed virus affecting computer*
- *Forced to hire outside expert to reformat hard drive, reinstall operating system and restore data from backup.*
- *Total Loss: \$10,700 with \$500 deductible*
- *Total Payout: \$10,200*

Claim Example #2 – Cyber Extortion

- *Client received a ransomware virus pop up from “anti virus technician” requesting remote access to computer.*
- *\$25,000 for key to decrypt files and release passwords*
- *Price would increase to \$50,000 if not paid in one week; after that, key would be destroyed and files lost forever*
- *Client received professional advice and approval to pay ransom*
- *Total Loss: \$25,000 with \$500 deductible*
- *Totally Payout \$24,500*

Claim Example #3 – Online Fraud

- *Client is working with a contractor for a major kitchen renovation.*
- *After several emails going back and forth with the contractor finalizing details, client receives a new email “contractor” asking to wire the \$100,000 deposit.*
- *Investigators later determined unknown party tricked victim into wiring \$ to them instead of contractor.*
- *Total Loss: \$100,000 with \$500 deductible*
- *Totally Payout \$99,500*

Personal Liability/Umbrella

- ✓ *Why an Umbrella?*
- ✓ *What does it cover?*
- ✓ *How much coverage?*
- ✓ *Punitive Damages*
- ✓ *What are Group Umbrellas?*



Personal Liability/Umbrella

- ✓ *Defense Costs*
- ✓ *EPLI*
- ✓ *Non-Profit D&O*
- ✓ *Uninsured/Underinsured
(Bodily Injury & 3rd Party)*
- ✓ *Recent Claim Examples*



Pepper Pike, OH

- Home:
 - 120% vs. Guaranteed Replacement Cost
 - No Identity Theft, Equipment Breakdown, Service Line
 - No Wavier of Deductible
- Auto:
 - Adult Son in TX Driving Dad's Car
 - ACV vs. Agreed Value (2 Porsches + Audi)
- Umbrella:
 - No Uninsured/Underinsured
 - \$10M vs. \$20M

State Farm \$12K

vs.

PURE \$9K

Beachwood, OH

- Home:
 - Replacement @ \$583K
 - No Sewer/Water Backup
 - Increase Deductible (\$1K)
- Auto:
 - Extended Non-Owner Liability for Company Car
- Umbrella:
 - No Uninsured/Underinsured Coverage
- Ancillary Coverages:
 - Cyber
 - Flood

Stayed w/Current Carrier
Brunswick = +\$1,500

New York

- **NYC Condo:**
 - Dwelling: \$175K vs. \$1.1M
 - Deductible: \$5K vs. \$10K
 - Loss of Use: \$114K vs. Unlimited
 - Liability: \$100K vs. \$500K
 - Jewelry: ACV to 150%
- **Hamptons Home:**
 - Dwelling: \$1.2M vs. \$1.5M
 - Forced Rebuild vs. Cash Out Option
 - Sewer/Backup: \$10K vs. \$1.5M
 - Deductible = \$5K vs. \$10K
- **Auto:**
 - ACV vs. Agreed Value (New Vehicle Replacement)
 - Rental Reimbursement: \$30/day vs. \$15K
- **Umbrella:**
 - \$4M vs. \$10M
 - No Uninsured/Underinsured Coverage

Liberty Mutual = \$22,598
vs.
Cincinnati = \$18,932

Rocky River, OH

- Home:
 - Same Major Coverages
 - Added Equipment Breakdown & Service Line
 - Removed Family Protection
- Florida Condo:
 - Must Stay with Universal
 - Provided 10+ suggestions to change
- Auto
 - Son w/Driving Issues
 - Must Stay with USAA
- Umbrella:
 - Specialty Carrier – Taking Over via BOR

**Saved \$3K by
switching from
Chubb to Nationwide
Private Client**



Richfield, OH

- **Richfield Home:** No Changes
- **FL Condo:**
 - Dwelling: \$26K vs. \$238K
 - Personal Property: \$15,620 vs. \$50K
 - No Sewer/Water Backup, Identity Theft, Waiver of Deductible
 - Loss of Use: \$6K vs. Unlimited
 - Deductible: \$1K vs. \$5,000
 - Added applicable credits
- **Auto:**
 - Towing/Labor/Roadside Asst & Rental Reimbursement: Added
- **Umbrella:**
 - No Uninsured/Underinsured



**Saved \$750 by
changing brokers
and cleaning up
Chubb**



BRUNSWICK

PRIVATE CLIENT


BPC – 5 STEP PROCESS



Premium Carriers



Proposal Summary



**BRUNSWICK
COMPANIES**

Sample Family


Personal Insurance Proposal

March 10, 2020

PRESENTED BY:

Brunswick Companies
5309 Transportation Blvd.
Cleveland, OH 44125

brunswickcompanies.com
800.686.8080



**BRUNSWICK
COMPANIES**

Managing Risk - Insuring Success - Since 1972

Executive Summary

Thank you for the opportunity to review your personal insurance program. We consider it our responsibility to partner with professionals that are focused on growing and protecting the assets of their clients. Brunswick Companies has been a provider of risk management services and personal, commercial, and professional insurance since 1972. Over the years, we have created strong relationships in the industry and have selected carriers that cater to successful, high-profile individuals and athletes. Our goal is to have our clients benefit from this risk management expertise and recommendations for comprehensive coverage. Below is a summary of the features, benefits and coverage gaps we have identified from our audit of your current coverages vs. our markets.

Home:

- Dwelling Coverage:** We calculated the replacement cost of your home as currently undervalued with 150% replacement cost. With "Guaranteed Replacement Cost" coverage, the carriers pay what it takes to have your home repaired or rebuilt, even if the cost exceeds your policy limit. The carriers may inspect your home to be sure you have sufficient coverage and if it is determined that your home is over insured, the coverage would be reduced appropriately.
- Cash Out Option:** If rebuilding after a covered total loss doesn't make sense for you -- or you'd prefer to build somewhere else -- you can choose cash up to your policy limit instead. The same applies when replacing a covered item that has been lost, stolen or damaged. This is not available on your current policy.
- Temporary living expenses:** When you can't live in your home due to a covered loss or forced evacuation, we can help you find a comparable place to stay, and we'll cover the increase in expenses until you can go home again (includes pet kenneling). Your current policy caps at a specific dollar amount.
- Water/Sewer Backup:** In a basement or lower level would currently only provide \$5,000 in coverage. Our carriers offer the full dwelling amount for repairs and renovations.
- Coverage for identity theft:** protection is included up to \$50,000, currently not included.
- If a claim is over \$50,000 in damages,** our carriers will waive your deductible, currently not included.

Collections:

- Our proposal includes world-wide coverage for your valuable collections.
- Claims are covered at the Agreed Value, plus up to 150% if the market value of the item exceeds that value at the time of the loss.

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Risk Management | Commercial | Professional | Surety | Personal

HOME	Westfield	Chubb	AIG	Pure
## Daisy Lane, Pepper Pike, OH 44124	150% Replacement Cost	Guaranteed Replacement	Guaranteed Replacement	Guaranteed Replacement
Dwelling	\$1,075,000	\$1,075,000	\$1,161,000	\$1,075,000
Other Structures	\$168,000	\$396,200	\$396,200	\$396,200
Personal Property	\$844,500	\$929,500	\$960,500	\$929,500
Cash Out Option	Not Included	Included	Included	Included
Loss of Use	\$250,000	Actual Loss Sustained	Actual Loss Sustained	Actual Loss Sustained
Liability	\$500,000	\$500,000	\$500,000	\$500,000
Medical Payments	\$5,000	\$10,000	\$10,000	\$10,000
Sewer/Water Backup	\$5,000	Dwelling Amount	Dwelling Amount	Dwelling Amount
Identity Theft	Not Included	\$25,000	\$25,000	\$25,000
Waiver of Deductible	Not Included	Included	Included	Included
Deductible	\$1,000	\$1,000	\$1,000	\$1,000
ANNUAL PREMIUM	\$4,478	\$3,049	\$3,826	\$3,224
SCHEDULED PROPERTY	Agreed Value	Agreed Value	Agreed Value	Agreed Value
Scheduled Jewelry	\$225,000	\$225,000	\$225,000	\$225,000
Insured Fine Art	\$2,345,870	\$2,345,870	\$2,345,870	\$2,345,870
ANNUAL PREMIUM	\$6,921	\$5,302	\$7,454	\$5,536
AUTO	Geico	Chubb	AIG	Pure
19 Sequoia, 08 CRV, 15 CRV, 16 BMW, 17 BMW	Actual Cash Value	Agreed Value	Agreed Value	Agreed Value
Liability	\$500,000	\$500,000	\$500,000	\$500,000
Medical Payments	\$5,000	\$10,000	\$10,000	\$10,000
Uninsured/Underinsured	\$500,000	\$500,000	\$500,000	\$500,000
Comprehensive Deductible	\$250 who glass	\$250 who glass	\$250 who glass	\$250 who glass
Collision Deductible	\$250	\$250	\$250	\$250
Towing/Labor/Roadside Assistance	Not Included	100 miles	100 miles	\$250
Rental Reimbursement	Not Included	\$15,000 no per day limit	\$12,500 no per day limit	\$5,000 no per day limit
ANNUAL PREMIUM	\$5,989	\$4,512	\$5,019	\$3,467
UMBRELLA	Allstate	Chubb	AIG	Pure
Excess Liability	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Uninsured/Underinsured	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
ANNUAL PREMIUM	\$369	\$310	\$310	\$332
TOTAL ANNUAL PREMIUM	\$17,713	\$13,368	\$14,625	\$12,789

What do we need to quote?

- ✓ *Current Policies*
- ✓ *All Drivers' license numbers*
- ✓ *All Dates of birth & occupations*
- ✓ *Fax or Email to Brunswick*

Switch insurance carrier at any time, existing paid premium will be prorated and refunded.

Engaging Your Client

- ✓ *New Item on Annual Checklist*
- ✓ *Complimentary Audit*
- ✓ *Copies of Policies*
- ✓ *Event = Review*
- ✓ *Personal Testimonial*

162%

*Increase in audits
performed in the
last year*



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Insurance Experts Since 1972

**At Brunswick Companies, we believe in
protecting our client's aspirations and
achievements as they evolve.**



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Questions?