By Gina Teresi

Are your clients working with the right insurance resource?

Insurance agents, like financial advisors, are not created equal. When managing clients with a net worth in excess of $5 million, specialized expertise is required to effectively address their complex personal risk management needs.

Most, if not all, of your clients will have a preexisting relationship for their property and casualty insurance. However, our experience has shown that many successful people unwittingly outgrow their coverage and can be severely under-protected.

You don't have to be an insurance specialist to help your clients assess their insurance resource choices. Following are factors to consider when evaluating an insurance agent or broker:

What to look for

Captive vs. independent agents: a critical distinction

Captive (or "direct") agents represent only the company for whom they work; they can only sell its proprietary products and services. Examples of captive agents are those who work for companies such as State Farm Insurance® and Allstate®. Conversely, independent agents and brokers have access to multiple insurance companies and are capable of "shopping around" for coverage. They work for your client.

Properly addressing vulnerabilities

A good agent will start with a comprehensive needs assessment based on information gathered from personal discussions. In addition to physical assets, family circumstances, travel frequency, passions or hobbies, and business or estate planning activities all can contribute to personal risk. It is the agent's job to consider all of these factors and design a customized insurance program with robust solutions for their clients.

The right coverage, at the right price

Despite what popular advertisements tell us, insurance value is not driven solely by the size of the annual premium. Your clients also must consider the hidden costs of an uncovered claim—out-of-pocket expenses, lost time and frustration (to name a few). A solid insurance agent will look beyond premium and offer solutions that truly address the special circumstances they face.

Proactive outreach

An agent should reach out to clients at least once a year (preferably 60-90 days prior to renewal) to determine if there have been any lifestyle changes that may prompt a change in insurance. For families with substantial assets, reviews may need to take place semi-annually or quarterly (depending on their lifestyle or buying habits). If your clients are not frequently presented with options on how to address their insurance needs, it may be time for a change.

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Our Private Client Group offers complete solutions for successful individuals and families. We provide the coverage necessary to preserve high-value assets and personal liability. Protection is augmented with services to minimize property damage and bolster safety—and all of this comes in one custom-tailored package. Look to us to safeguard homes, automobiles, excess liability, fine art, collectibles, yachts and more.