You've built a great life for your family...

Make sure you protect it

FAMILY RISK MANAGEMENT

You've worked hard to build a great life for your family. How do you protect what you've earned going forward? If you've got a high-net-worth individual enjoying the fruits of your labors, congratulations. You've worked hard to get where you are, and along the way, you've amassed considerable assets—a beautiful home, a couple of nice cars, perhaps a second home, a boat, or a country club membership or two. Perhaps you have children in school, serve on a board or volunteer for a nonprofit. You have a nice family, a solid reputation and a variety of hard-earned assets to protect.

In short, you've built a life full of promise. Are you properly covered to protect your way of life should any number of perils that did not exist even five years ago present themselves? The professionals at Gowrie Group, Connecticut's largest independent personal insurance agency, lie awake at night worrying about all you have to lose, so that you don't have to.

Recently, we spoke with Steve Schram, one of Gowrie Group's top Family Risk Management professionals, about a number of real-life scenarios and risks. As a trusted advisor, taking proactive steps on behalf of his clients, Schram's risk identifying new or potential issues and making certain that one unforeseen issue doesn't topple the foundations of a well-planned life. What follows is Schram's expert commentary on the risks affluent families face.

TECHNOLOGY RISKS

We all use computers, smart phones and other electronic devices—each of which contains a good deal of sensitive personal information that is attractive to cybercriminals. Gowrie Group has done a lot of research into “social engineering fraud”, which is when thieves try to mislead you into giving them sensitive personal or financial information. We educate our clients on what to watch out for, along with smart controls to put in place so they don't get duped. There are also a number of social media crimes that can wreak havoc on your personal and professional reputation. Gowrie Group works with their carrier insurance partners—including CHUBB, AIG and PURE—to help align clients with the right resources and expert sources for monitoring services.

Gowrie Group also advises clients about social media risks related to children, particularly teens. For instance, what would happen if your teens get together with friends and, as a prank, posted a picture of one of their teacher's heads on a picture of a nude body? Don't laugh. Gowrie Group has seen this happen to a family that was not one of their clients and it resulted in the family paying major damages. All of a sudden a child’s prank is costing a family hundreds of thousands in legal fees and a settlement. Are you covered?

SPEAKING OF TEENS...

Do you have teens? Are any of them drivers? New and younger drivers are a substantial risk in and of themselves, but then you add in distractions like texting, drinking and friends into the equation. According to a research study by the University of Michigan, if you add one non-family passenger to a teenager’s car, the rate of crashes increases by 44%; that rate doubles with a second passenger, and quadruples with a third. If your teen gets into a really bad accident, your family is exposed. Gowrie Group has seen a case where a texting teen hit one car, which hit another car. The family was sued by five different parties, and although the family had good insurance, they weren't sufficiently covered to take that type of hit. After the accident, the family moved on from their previous agent and sought out the expertise of Gowrie Group to help them get the right comprehensive insurance in place. While this family is protected looking forward, unfortunately, it was too late to get the right coverage in place for the accident that did happen.

HOUSEHOLD HELP

If you employ any sort of domestic help, and your employee gets sick or hurt, you're responsible. Gowrie Group often hears, “My nanny or cleaning lady has been with our family for 20 years. She would never sue us.” But then the kids go off to college and the family lets the worker go, and the next thing you know some lawyer is contacting them out of the blue with an age-discrimination lawsuit or a lawsuit for back wages.

NONPROFITS

Are you on a nonprofit board or involved with a volunteer effort or organization? If you sit on a nonprofit board, be aware that they might not carry enough Directors and Officers (D&O) insurance. D&O is liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as reimbursement for losses or advancement of defense costs in the event of a lawsuit.

MITIGATING RISKS

The bottom line is that, as a wealthy individual, you become more of a target. If there's a problem, some people see the way you live as their golden ticket. The more you have, the more you have to lose.

The good news is that there are ways to be proactive. We think your broker should be your advisor and make you aware of new threats—from social media and other fronts that didn't exist five years ago—to gaps in your coverage that leave you exposed.

If you've been steadily earning and advancing, does your coverage match your worth? When was the last time someone sat with you and discussed your coverage? All the time we see individuals whose worth has doubled or tripled over the years, but their insurance hasn't caught up. If there's a catastrophic situation such as a car wreck, a plaintiff could come after you for $10 to $20 million dollars. Let's hope it never happens, but if you're not prepared, you can't get covered after the fact.

THE BOTTOM LINE?

Gowrie Group knows that most people will do anything to avoid the “chore” of sitting down to focus on updating their insurance, but they also know that it's even more important to tackle when there's so much at risk. Working with the right advisor can make all the difference. The team at Gowrie strives to make the insurance experience painless for affluent families by evaluating their current exposures and assessing their existing coverage. From there, Gowrie goes out to the insurance marketplace and compares options from each of the insurance companies that service the affluent to determine the best, most comprehensive insurance and risk management solution to meet their needs.

Schram's parting thought: “Being in the business and seeing what can happen to a family when coverage falls short, I’d say having a trusted insurance advisor in your corner is one of the best investments you can make.”

Speak with Steve Schram or a member of the Gowrie Group Family Risk Management team any time by emailing familyrisk@gowrie.com, calling 860.943.1818, or visiting www.gowrie.com/FRM.