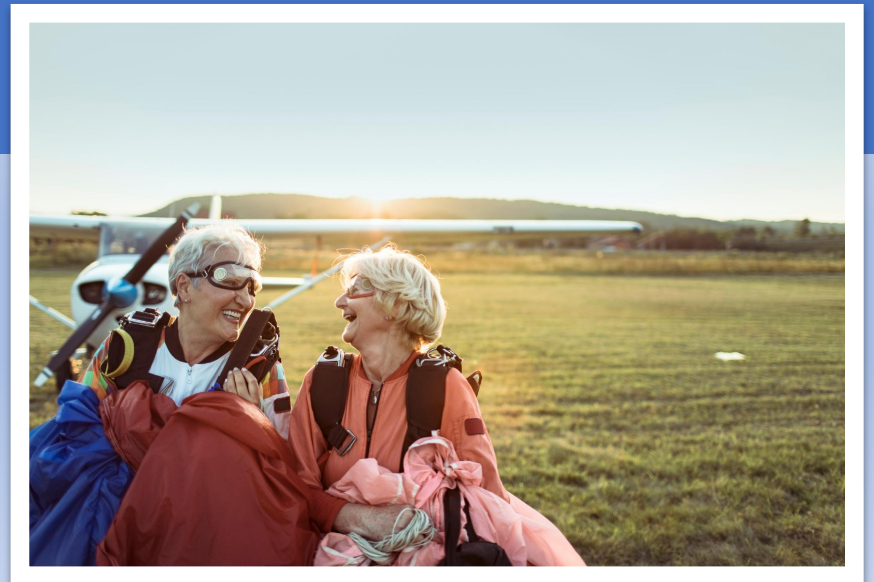


High Networth Insurance and Personal Risk Management

Presented by Kate Magee

Knight Magee Insurance

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KNIGHT MAGEE

INSURANCE

- Founders Kate and Sierra Magee started the agency in 2011
- An independent insurance agency with over 25 years combined industry experience offering personal, business, life and Medicare supplemental insurance solutions
- Represent over 25 of the top A rated carriers (Chubb, Liberty Mutual, Travelers, The Hartford)
- Voted Best Homeowners Insurance Agencies in Richmond by Expertise in 2020

High Net Worth Individuals and Families

Challenges

Face unique insurance challenges and tend to gravitate towards different insurance products

Risks

Have relatively more complicated risk management needs and a greater need for catastrophic insurance coverage

Hobbies

Often have expensive possessions and hobbies—wine collections, art, yachts, and old cars that require special attention to details when insuring

Properties

Own multiple homes in communities more prone to natural disasters such as hurricanes, flooding and wildfires

2017 Chubb Study

10% of financially successful families were forced to pay judgments of \$100,000 or greater, and 3% experienced judgments greater than \$1 million over the last ten years.



Chubb Study continued

- Only 24% carried flood insurance
- 62% lacked jewelry insurance entirely
- 87% lacked any insurance to cover their artwork
- 16% do not know the fair value of their personal possessions
- Only 23% of respondents had heard of employment liability insurance (for domestic staff) and just 6% had purchased the coverage if available. (This type of coverage is key [due to risks presented during COVID-19](#) and recent legislative changes.)





Review your Liability Coverage

Primary and secondary homes

- Vacation (rental) properties
- D&O
- Auto
- Yacht/Boat
- Umbrella
- Employment Practices Liability Coverage - EPLI

Employment Practices Liability Insurance

Wrongful
Termination

Age
Discrimination

Invasion of
Privacy

Breach of
Contract

Libel or
Slander

Discrimination
for Race or
gender

Mental
Anguish

Emotional
Distress

Negligent
Evaluations

Employee
Benefits
Management

Sexual
Harassment

Employee
Discrimination

Wage and
Hour
Violations

Failure to
Promote

HB 1864 – Amendment to the Virginia Human Rights Act (VHRA) – Nondiscrimination in Employment



Workers Compensation Insurance

Workers' compensation provides medical expenses, lost wages, and rehabilitation costs to employees who are injured or become ill "in the course and scope" of their job. It also pays death benefits to families of employees who are killed on the job.

Auto Liability

Car Accident Statistics

- Average number of car accidents in the .U.S. every year is 6 million.
- More than 90 people die in car accidents everyday.
- 3 million people in the U.S. are injured every year in car accidents.
- Around 2 million drivers in car accidents experience permanent injuries every year.
- Each day, more than 9 people are killed due to distracted driving.
- More than 1060 people are injured in crashes that involve a distracted driver. 1 out of 3 people text while driving.
- You are 23 times more likely to crash when texting while driving.

Auto Coverage for Domestic Workers (Nanny Insurance)

Using their own vehicle

- Make sure they have a safe car and adequate limits for liability and coverage for uninsured/under-insured motorists
- Consider exposures beyond the employee's car insurance. In some cases, when an employee causes a serious car accident while on the job, injured parties have successfully named *employers* in the resulting lawsuits.
- Make sure your nanny informs their carrier that they will be using the car as part of their job, which is technically a "business purpose." Some carriers may require that they purchase a commercial auto policy. Other companies may offer a business class/rate on your nanny's existing personal policy – a much more cost-effective option.

Home Insurance



Review your homeowner's policy - It's not uncommon for homeowner's policies to have inadequate limits and incorrect coverage.

Some things to consider:

- With building costs spiraling upwards, is your home insured for the current rebuild cost?
- Should you consider wind, earthquake, or flood coverage?
- Does your policy have limitations when your home is unoccupied for extended periods of time?
- Have you reviewed the valuable collections coverage on your homeowner's policy? Does it provide adequate protection for your wine collection, fine art, jewelry, antiques, etc.?

Wine Collection

For a wine collection that has bottles that are valued at less than S\$1,000 each, you can purchase “blanket” coverage under one lump sum. This is the best choice if you intend to drink what you have acquired. This option gives you the flexibility to add and remove bottles without having to notify the company each time. You only need to report a change if either the value of an individual bottle exceeds \$1,000 or if the lump sum has increased and exceeded what is indicated in your policy.

More expensive wine can be specifically listed on the policy, with each bottle described and individually insured for a specific value. Each bottle or case is itemized or listed down therefore this will be a better choice if you have bottles of the highest-priced vintages or if you intend to hold onto the items in your collection for a longer term.



Like works of art, wine is collected to be enjoyed.

Yacht/Boat Coverage

In 2017 alone, over 650 deaths and \$46 million in property damage resulted from 4,291 accidents in U.S. waterways. Accordingly, all boat owners should have adequate coverage for at-fault events, which may result in expensive medical claims, property damage expenses, wreckage removal expenses, legal defense and settlement costs.



Umbrella/ Excess Liability Coverage

Higher Limits Available



Uninsured Motorist and Personal Liability Coverage



Nonprofit Board Member Insurance



Employment Practices Liability Insurance for Household Employees

Cyber Crime - FBI Internet Crime Complaint Center 2019 Annual Report

Overall statistics

- 4,888,231 – Number of complaints reported since inception (2000)
- Approximately 340,000 complaints filed each year
- 1200 complaints filed per day
- \$3.5 Billion in victim losses in 2019
- One in four Americans estimated to have experienced cyber crime
- Most crimes go unreported
- Actual cost thought to be \$300 Billion for 50 million consumers and small businesses per year

Personal Cyber Coverage

- Personal cyber insurance is designed to address direct losses you may suffer as the result of a cyber attack. A personal cyber attack could include:
- Malware attack (a computer virus infiltrates your device or smart appliance, gaining access to financial information);
- Ransomware attack (a hacker holds your personal files/data for ransom, denying you access until you submit payment—usually via Bitcoin);
- Cyber fraud or social engineering (a criminal poses as your accountant, or work colleague, or car dealer, asking for money via wire transfer; you voluntarily part with your money or private info, but only because you believe it is going somewhere legitimate)
- Cyberbullying or harassment (someone publicly harasses you or a family member online, leading to mental anguish, transfer of schools, loss of job, loss of clients, or other serious consequences)



Contact Information



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