

FRANKCRYSTAL  
&COMPANY

Private Client Services

Frank Crystal & Company  

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Private Client Services

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*Presented by:*  
*Mary Gust*  
*Managing Director*  
*Frank Crystal & Co. of California, Inc.*

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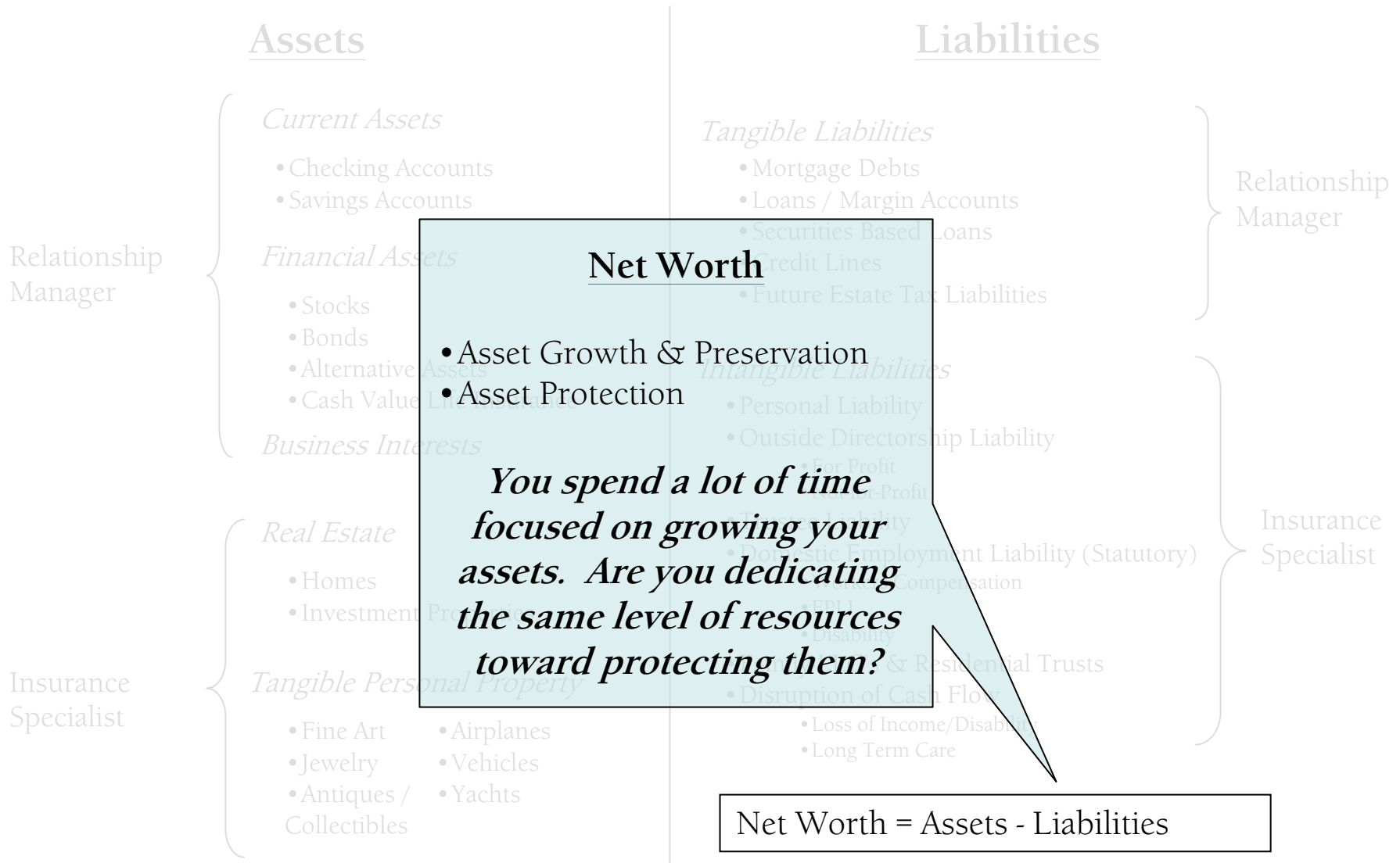
## Profile of our Clients

- Wealthy Individuals and Families
- Family Offices
- Professional Athletes and Entertainers
- Individual Executives
- Executive Groups
- Entrepreneurs
- Private Collectors
- Estates and Trusts

# Client Balance Sheet



# Client Balance Sheet



# Insurance Issues of the Affluent

“Risk is like fire: If controlled it will help you ; if uncontrolled it will rise up and destroy you..” – *Theodore Roosevelt*



## Insurance Issues of the Affluent – *Lifestyle*

- **High Profile Public Persona** (welcomed or not)
  - More at stake
  - Family safety top priority
- **Emphasis on Lifestyle**
  - Demand delivery of highest quality service
  - Expect uninterrupted lifestyle in the event of a loss and claim
  - Exhibit an ever evolving way of life
  - Possess complex set of needs
- **Beyond Transactional Relationships**
  - Seek Independent & Objective Advice
  - Need integrated solutions – (personal, commercial, directors & officers, etc.)
  - Value consultative approach
  - Expect coordination with other trusted advisors
  - Desire active voice in decisions (e.g. coverage selection, valuations, claims and service platform)
  - Require utmost confidentiality
  - Appreciate an advocate in resolving claims
- **Global Exposure**
  - Addressing Domestic and International exposures
  - Strategies for Catastrophe Prone regions



# **Insurance Issues of the Affluent – Asset Protection**

## *Focus on Wealth Preservation*

- **Diversified Real Estate Holdings**
  - . Homes, Condo/Co-op
  - . Farm/Ranch
  - . Resorts
  - . Builders Risk
  - . Commercial
  
- **Collectors and Acquirers**
  - . Art, jewelry, wine, antiques
  - . Automobiles, luxury and vintage
  - . Yachts
  - . Aircraft
  - . Other collectibles
  
- **Sophisticated Liability Needs**
  - . Personal & Business Liability
  - . Directors, Officers & Trustee Liability/ Personal Directorship Liability
  - . Ownership structures (ie: LLCs, FLPs, Trusts, etc.)
  - . Domestic Employment Liability (Workers Comp & EPLI)
  - . Future Long term care cash flow needs
  - . Disability Income Protection
  - . Estate Tax Liability

# Insurance Issues of the Affluent – *Activities*

## *Social, Charitable & Business Activities*

- **Hosting Large Gatherings**
  - . Private Home
  - . Public Venue
- **Directors & Officers Board Participation**
  - . For-Profit Corporations
  - . Not-For-Profit Organizations (Philanthropy)
- **Entrepreneurship**
  - . Angel Funding
  - . Business Partnerships
  - . Investments (Real Estate, Hedge Funds, Private Equity)
  - . Mergers & Acquisitions
  - . Sports Franchises
- **Travel**
  - . Global Medical & Repatriation
  - . Personal Security
  - . Kidnap & Ransom
- **Recreational Activities**
  - . Sports
  - . Music
  - . Social Networking

## Insurance Issues of the Affluent - *Family Security*

*Frank Crystal & Company works with our clients to facilitate:*

- Background Screening of Domestics, Contractors and Vendors
- Identity Theft Protection
- Kidnap Ransom Risk Evaluation
- Disaster and Safe Evacuation Planning
- Documentation & Appraisal Services
- Cyber Security Reviews
- Large Personal or Business Gathering Security
- International Travel Vulnerability Assessments
- Loss Mitigation for Wildfire & Hurricanes

## Common Oversights

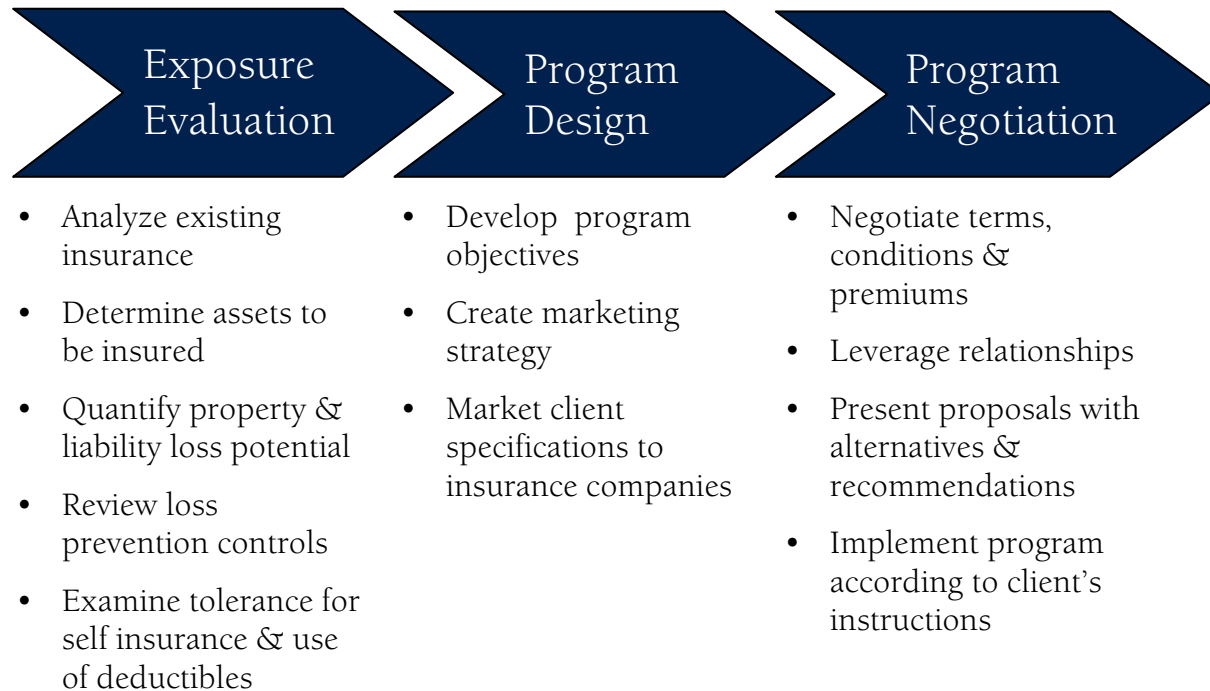
- Insufficient liability
- Low deductibles/retention
- Inconsistent protection and lack of coordination for homes in multiple geographies
- Properties owned in the name of trusts, LLC's, and family limited partnerships
- Uninsured or underinsured Real Estate particularly in catastrophe prone regions where hurricanes, earthquakes, wildfires, and floods present great risk
- Failure to insure or update values of fine art, jewelry, or other collections
- Assumption Directors and Officers Liability is covered when serving on for-profit and not-for-profit boards
- Failure to coordinate aircraft and yacht insurance with other policies to ensure seamless protection
- Evolving lifestyles are not addressed leading to inadequate protection
- Failure to involve insurance on the front end of acquisitions (e.g. home building / remodeling, travel plans, social events)
- Assuming liability of others (contractors, service providers)
- Workers Compensation & employment practices liability for domestic employees

# Addressing Emerging Industry Issues & Trends

- **Insurance Market Overview**
  - . Insurance Carriers
  - . Premium forecast
  - . Market Capacity – Geographic / Regional considerations
- **Program Developments**
  - . Blanket property forms
  - . Flood Coverage on Homeowner Policies
  - . Mechanical breakdown of household equipment
  - . Workers Compensation & Employment Practices Liability
  - . Fiduciary Coverage for Employees & 3<sup>rd</sup> Party Organizations
  - . Group Excess Liability
- **Issues to Consider**
  - . Loss Mitigation & Personal Security
  - . Identity Theft Restoration
  - . Personal Directorship Liability
  - . Trustee Liability
  - . Kidnap & Ransom

## Brokerage Philosophy – *New & Existing Clients\**

- We advise clients using a consultative approach developing a thorough understanding of their goals and expectations.

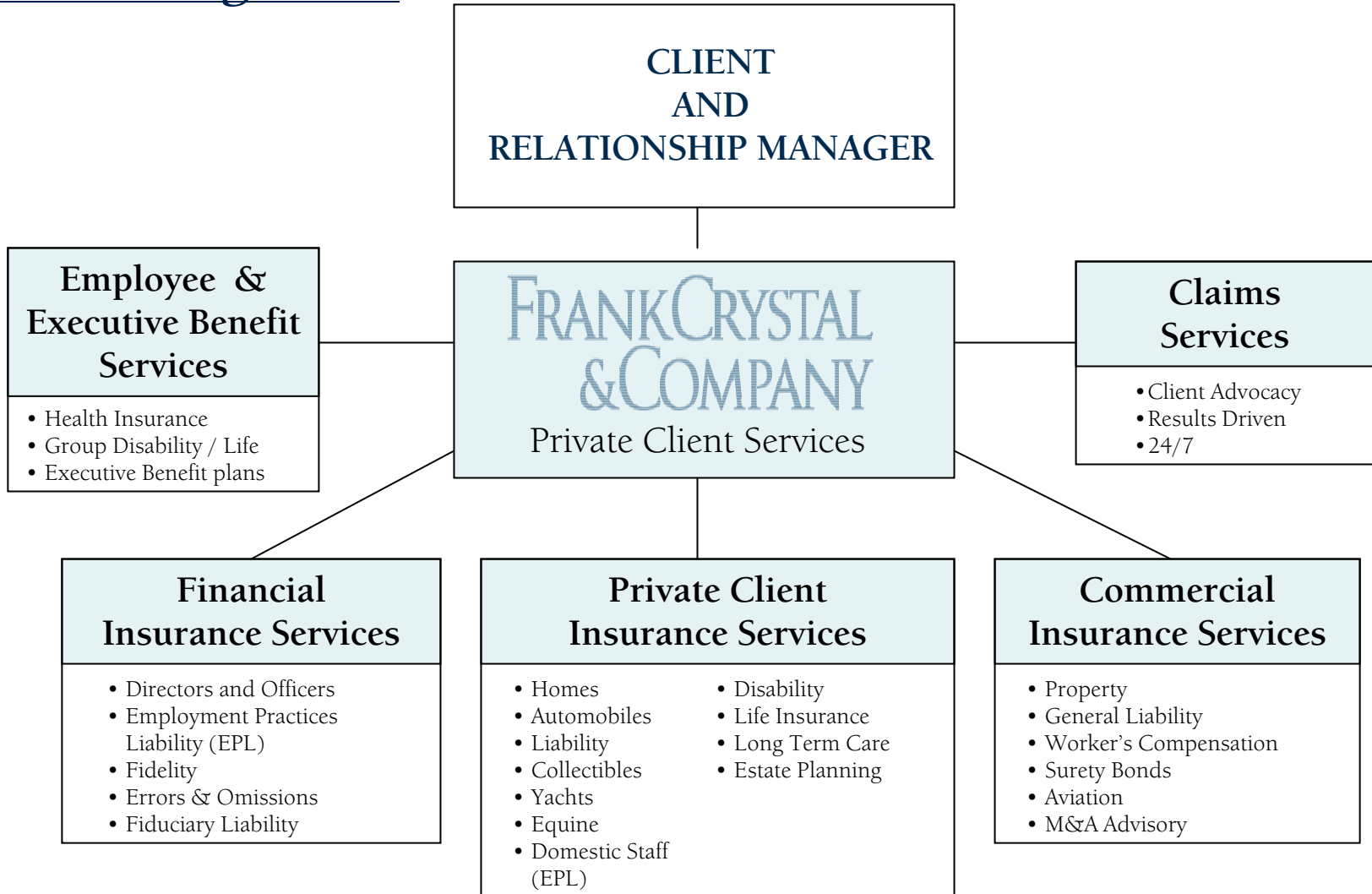


*\* Existing Clients follow same formal process beginning 120 days prior to renewal*

## Protecting & Sustaining Your Client's Wealth – *Our Shared Objectives*

- Preservation and Growth of Assets
- Protection of Assets
- High Level of Service
- Confidentiality

# Protecting and Sustaining Your Clients' Wealth – Risk Management





## Case Studies

### **Situation:**

An ultra high-net worth family, comprised of seven households, maintains multiple residences throughout Massachusetts, New York, Florida, Colorado, and the United Kingdom. In addition to numerous homes that are currently under construction and several coastal properties, they also have an extensive fleet of automobiles and yachts. Their program was previously handled by a national broker that had been renewing multiple policies with varied terms and conditions and that had not addressed the needs of the Family Office entity.

### **Solution:**

We renegotiated coverage to deliver uniform protection for all homes, vehicles, and yachts, while leveraging economies of scale to negotiate significantly reduced premiums. We negotiated and implemented a group excess liability policy to provide very high limits of liability for all family members at reduced cost. Additionally, we designed a comprehensive Employment Practices Liability Insurance program to cover more than 200 domestic employees. Finally, through our Financial Services and Property & Casualty Departments, we brokered a complete suite of commercial and professional liability insurance policies for the Family Office that had not been previously addressed.

### **Result:**

- The family has continuity in protection, reduced premiums and simplified administration of their program.
- One of the family members has since had a claim involving personal property that was covered under the newly designed program that would have been previously excluded.

## Case Studies (Cont'd)

### **Situation:**

A well-established Family Office comprised of six households based on the West Coast required a comprehensive and cost-effective insurance program to cover the exposures surrounding its multiple residences, automobiles, extensive art collection and business operations. They had been working with a well known national broker who could not address the business needs since that aspect of their program did not meet the broker's minimum premiums resulting in a patchwork program creating uncertainty about the depth and coordination of protection.

### **Solution:**

Frank Crystal successfully brokered a coordinated program with underwriters in both the United States and London to create an insurance solution that provided extremely high limits of property protection in catastrophe prone areas. Additionally, we assisted with their inventory management and loss control measures. An insurance program was designed for their family owned business resulting in property & casualty, professional liability protection and cost effective benefits for their employees.

### **Result:**

- The client views Frank Crystal as an outsourced Risk Manager to deliver holistic services, advice and management for all insurance requirements.
- The relationship is quarterbacked by the Private Client team to ensure full coordination.

## Case Studies (Cont'd)

### **Situation:**

A client incurred a \$25 million loss at a personal residence as result of an electrical short and looked to Frank Crystal to provide support during the claims process.

### **Solution:**

Prior to the loss occurring, the client transferred his business to Frank Crystal. Due to our detailed analysis of his current insurance program, we were able to locate deficiencies which led him to see the gaps his previous broker had overlooked. We also assisted in obtaining appraisals on the furnishings, collectables and residence appraisals and other key documents that were essential to his claim settlement.

### **Result:**

- As the claim posed the most significant single homeowners loss for the insurer, the detailed information documented at the outset of our relationship proved invaluable.
- Frank Crystal successfully brought the client and insurance company together, negotiating an expeditious and optimum settlement.

## About Frank Crystal & Company

- One of the nation's largest privately-held insurance brokerage firms
- Family Owned
- Headquartered in New York with offices in Houston, Los Angeles, Miami, Palm Beach, Philadelphia, Portland, San Francisco, Seattle, & Washington, DC
- Five practice areas:
  - Private Client Services: personal insurance, family office, life, disability, and long-term care
  - Commercial Insurance Services: comprehensive property & casualty, professional liability and fidelity, aviation, and surety coverage for non-financial institutions
  - Financial Insurance Services: comprehensive professional liability, fidelity, and property & casualty coverage for financial institutions
  - Claims Services: claims management and advocacy services
  - Employee Benefits Services: corporate employee and executive benefits solutions
- Committed to providing industry-leading services, solutions, and counsel