MarshMcLennan Agency

Private Client Services

Family Office Benchmarking Study

2024

Make Extraordinary Possible.℠

We are here to help you make extraordinary possible.

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Client confidentiality in benchmarking reports

The information used to create this report was gathered from personal lines placements for family offices for which Marsh McLennan Agency Private Client Services (MMA PCS) is the risk advisor and insurance broker. Additional content was obtained by survey through the Marsh McLennan wholly owned company Oliver Wyman. Client confidentiality is of utmost importance, and MMA PCS maintains strict confidentiality practices to protect our clients' privacy. Manual production of custom reports is handled exclusively by our benchmarking team, so sensitivity of client information always takes precedence.

Data and findings

Unless otherwise cited, all data, charts, graphs, and findings in this report are a result of the *2024 Family Office Benchmarking Study* and are proprietary to Marsh McLennan Agency Private Client Services.

Introduction

Every year presents challenges for families, as well as the family offices that serve them. In a world where risks are becoming more complex and uncertain, and the potential for significant losses is higher than ever, it is crucial to have access to accurate and comprehensive information to make informed decisions about your insurance. Now, more than ever, it is essential to prioritize the need for meaningful information and education to protect yourself and your assets.

From a personal risk management perspective, we are facing the hardest personal lines insurance market in a generation, when risk and uncertainty are high. And unfortunately, family offices are experiencing some of the worst of it.

In addition to several incredibly costly years of natural disasters, there is a broad array of other issues facing the industry. Advancing technology, supply shortages, nuclear verdicts, and inflation are some of the more obvious factors driving up insurance rates. Further, the states have strict regulations in place that were originally well-intended and designed to protect consumers. However, in our current situation, insurers are struggling within the state-mandated guidelines and are instead taking decisive actions to address aggregation of risk issues and achieve rate adequacy.

Family offices and ultra high net worth private clients have been more frequently experiencing significant premium increases and policy cancellations than other policyholders as insurers take drastic steps to manage their own risk.

As the leading risk advisor to these client segments, it remains our priority to advocate on behalf of our clients to manage these challenges while providing expert advice, thoughtful consultation, and timely and relevant education. Our study confirmed that family offices need a strong risk management partner to deliver these capabilities now more than ever.

Helping family offices and wealthy families manage risk and uncertainty has been a mission for Marsh McLennan Agency Private Client Services (MMA PCS) since our inception in 1980. Our clients have diverse challenges, and MMA PCS is committed to remaining your strong partner in risk management.

This year’s Family Office Benchmarking Study shows that clients are aware their exposures are complex and growing. However, they need help protecting against volatile and unpredictable threats to their family members, assets, and legacies.

Our survey data shows MMA PCS clients tend to have significantly more favorable outcomes than those who do not yet work with us. At our core, MMA PCS is driven by our purpose to empower our clients with the vital insights and information they need to make well-informed decisions. By providing education, offering a range of choices, promoting optionality, and understanding our clients’ risk tolerance, we enable our clients to make strategic decisions that effectively manage, mitigate, and often avoid risks altogether. This positions families and family offices to address their biggest challenges with confidence.

Pete Walther
President and CEO
Marsh McLennan Agency Private Client Services

Executive summary

The past two years were a period of surging risks for family offices and families, having been marked by a series of volatile climate-related disasters, economic headwinds, and rising insurance rates. A key takeaway is risks remain unpredictable—and interrelated—for successful families across their personal, commercial, and financial domains. Family offices and the families they serve have a continuing need for education and specialized advice when it comes to managing risk.

MMA PCS pioneered family office risk management and is an industry leader in personal insurance. We are proud to deliver our vast expertise in serving clients to provide education, meaningful benchmarking data, and insights to help family offices and wealthy families mitigate risk and achieve their goals.

About the report

This report is the latest in a series of benchmarking studies on MMA PCS clients' risk management and insurance practices. We first published a benchmarking study based on family office insurance programs in early 2016, which received great interest from clients. We expanded the scope of the second report in 2018 with additional data and an extensive survey of clients to gain a first-person perspective. The 2021 benchmarking study included a broader sample of family offices and high net worth families.

For our latest study, we took an even more expansive approach. Partnering with Oliver Wyman, a business of Marsh McLennan, MMA PCS conducted in-person interviews and digital surveys to gather deeper insights around a broader set of risk management issues. Our study explored not only top concerns and policy benchmarking data. We also examined family offices' experiences, motivations, and actions taken due to the significant challenges in the marketplace today. The findings are a compilation of deep insights into the risks and concerns of family offices.

Client sample

This year's Family Office Benchmarking Study was conducted during the second quarter of 2023. MMA PCS examined the practices of more than 100 family office clients who:

- Have insurance programs with an average of more than $300,000 in annual premiums and
- Are either a wealthy individual family with a formal family office structure (23%),
- A multi-generational family with an established single-family office (40%), or
- A multi-generational family that does not use a formal family office but has a dedicated representative supporting the family members and their activities (38%).

MMA PCS used proprietary insurance coverage data to explore the programs, policies, and limits families have in place to protect their assets and reduce liability exposures. Clients also received an in-depth survey on their risk concerns and future priorities. The survey highlighted the expanding nature of their concerns and underscored the need for continued education, advice, and consultation from trusted advisors. As a result, almost all families (97%) foresee their family offices staying the same size or growing in the next one to five years, with 47% expecting the family office size to grow. Only 3% expect their family office to decrease in size.

The personal insurance market is facing one of the most volatile and challenging situations in a generation.

Overarching themes

Market challenges

The personal insurance market is facing one of the most volatile and challenging situations in a generation. This is driven by extensive losses from increasingly intense natural disasters, nuclear verdicts arising from social inflation, and a complex regulatory environment.

In 2023, there were 28 billion-dollar natural disasters,[1] a record number for the U.S. These billion-dollar, inflation-adjusted events have been steadily increasing over the past 40 years, with a particularly complex surge in climate-related events since 2017. The cost of these disasters in the past decade doesn't just impact families' homeowners coverage, pricing and availability. It also impacts their auto insurance, the availability and price of insurance for watercraft, valuable collections, equine exposures, and more.

Compounding the market situation, the United States is also experiencing unprecedented degrees of social inflation as liability verdicts are exponentially more punitive than before, as well as near-record cyber events.[2]

Further, state regulations that were originally designed to protect consumers are now severely limiting carrier flexibility to accurately price risk and achieve rate adequacy, leading in some cases to negative outcomes for consumers. When we add this to the already daunting extreme weather challenge, carriers are taking decisive actions to reduce their exposure, particularly in catastrophe-prone areas, and return to rate adequacy for the risks they continue to underwrite. In some cases, insurers have placed a hold on writing new business, non-renewed large numbers of policies, or simply exited markets entirely. And in other cases, they have significantly increased premiums. In all situations, consumers are feeling the effects.

To help reverse the hard market and ensure a stable and reliable one for consumers in the years ahead, states, insurers, and consumers need to think differently and consider more flexible approaches to insurance and risk mitigation.

Top concerns

Families surveyed for the 2024 Benchmarking Study generally expressed a growing awareness of their risks. Unsurprisingly, their top concerns align with the major factors affecting the personal insurance market: natural disaster risks, personal liability risks, and cyber risks. Notably, these also are the top concerns for which family offices feel least prepared.

The 2024 Family Office Benchmarking Study data suggested families have a good understanding of basic risk management.

99% **Carry personal excess liability coverage**

92% **Have primary flood coverage, up from 80% in 2021**

70% **Carry excess flood, up from 57% in 2021**

68% **Carry equipment breakdown insurance**

53% **Have earthquake coverage (for West Coast properties)**

Risk mitigation

Another foundational area of risk management is risk mitigation. While the majority of families will implement precautionary measures to avoid risks, either proactively or if required by a carrier, nearly one-third would not. These families would prefer to look for new coverage rather than take the required steps to protect their property. However, in times like these where underwriting is difficult and capacity is scarce, searching for a new carrier doesn't always result in finding appropriate coverage. The ideal solution would be to proactively mitigate the risks.

With 96% of surveyed families living in catastrophe-prone areas, families that combine proactive risk mitigation with strategic utilization of insurance protection, are most likely to adequately protect their family's lifestyle and legacy.

Expert risk advice, advocacy, and access

Data in our benchmarking study shows the importance of clients receiving ongoing, sound advice from specialized risk advisors with credible experience in the complexity, administration and needs of family offices and wealthy families.

As the pre-eminent provider of personal risk management, MMA PCS utilizes its market-leading data to deliver timely and relevant insights to clients, positioning them to make informed, strategic decisions specific to their unique risk profile and tolerances. MMA PCS pioneered risk management for the family office space and has set the standard in the high-net-worth insurance segment for more than 40 years through:

- Launching the first private client personal lines program specifically for successful families
- Developing the blanket property policy solution for high-net-worth individuals and families
- Creating a personal lines insurance market for trusts, LLCs, and LLPs
- Faithfully adhering to industry-leading professional standards and best practices
- Intense focus on insights, education, advice, and risk mitigation
- Deep specialization in fine arts & collections, yacht, executive liability, farm & ranch, private aviation, cyber security and governance, and transactional support for direct investment
- Dedicated claims advocacy team to assist clients in obtaining the best possible outcome in a claims situation
- Innovative new niche coverage offerings and digital solutions to greatly ease program administration

Amid the most challenging personal insurance market in decades, family offices and ultra high net worth clients are more frequently facing the need to remarket their insurance programs, including the need to explore new insurance carriers and alternative program structures. As the leading broker partner with the top specialized high net worth carriers, combined with the global reach and relationships of Marsh McLennan, MMA PCS is in the unique position of offering our sophisticated clients access to tailored insurance program designs and structures in a market in which program and pricing optionality for clients is critical.

Regardless of the carrier, the focus of MMA PCS continues to be acting as the client’s advocate in any scenario. And never has it been more important for family offices to have a strong broker partner on their side.

Trends and key findings

> "With an exceptionally challenging marketplace amplifying costs and complexity for family offices, many are deciding to take on risks to reduce premiums."

State of the market

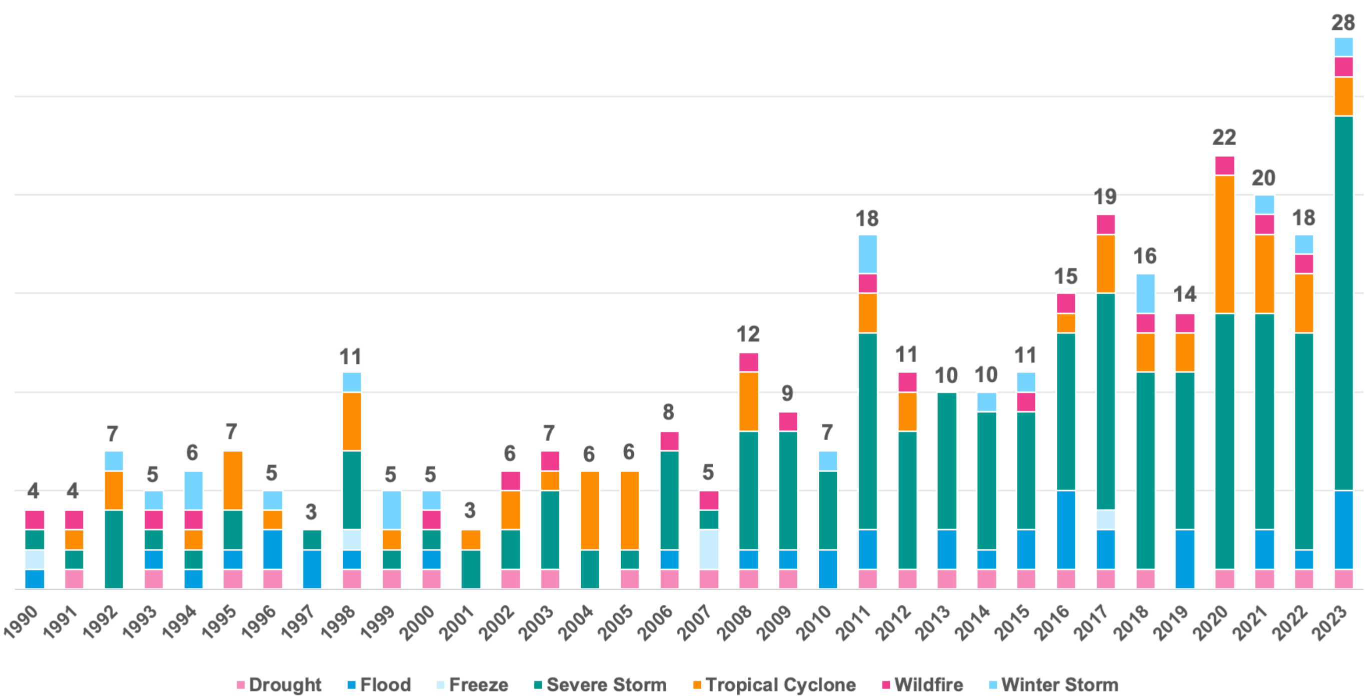
Families and their family offices continue to face unpredictable threats, a fact that is compounded by an exceptionally challenging insurance marketplace. For the past 7 to 10 years, the United States has been experiencing increasing numbers of extreme weather events—from excessive rainfall and flooding, to devastating wildfires—as well as significant activity in cybercrime and rising social inflation. These events continue to drive adverse litigation trends, contribute to the current hard personal insurance market, and amplify costs and complexity for family offices.

Billion-dollar disasters

In 2023, a record number of billion-dollar weather events (28) caused damage throughout the United States. A major driver of property losses—and insurance rates—is severe weather. It's important to note that a single event can reach well beyond $1 billion in losses. In 2022, Hurricane Ian caused more than $100 billion in overall losses. A winter storm in 2021 that affected every county in Texas resulted in losses between $80 billion and $130 billion.

Since 1990, the number of natural disasters exceeding $1 billion in losses (adjusted for inflation) has been growing, with five of the worst years for billion-dollar disasters occurring since 2017. In addition, the time between such large-loss events is shrinking. Forty years ago, a $1 billion event occurred every 82 days, on average. As of 2020, that span fell to every 17 days. And in 2023, on average, there were only 13 days between billion-dollar disasters. This means insurers' balance sheets are under more stress, forcing them to find ways to compensate for the losses.

Annual Count of Billion-Dollar Weather Disasters in the U.S.



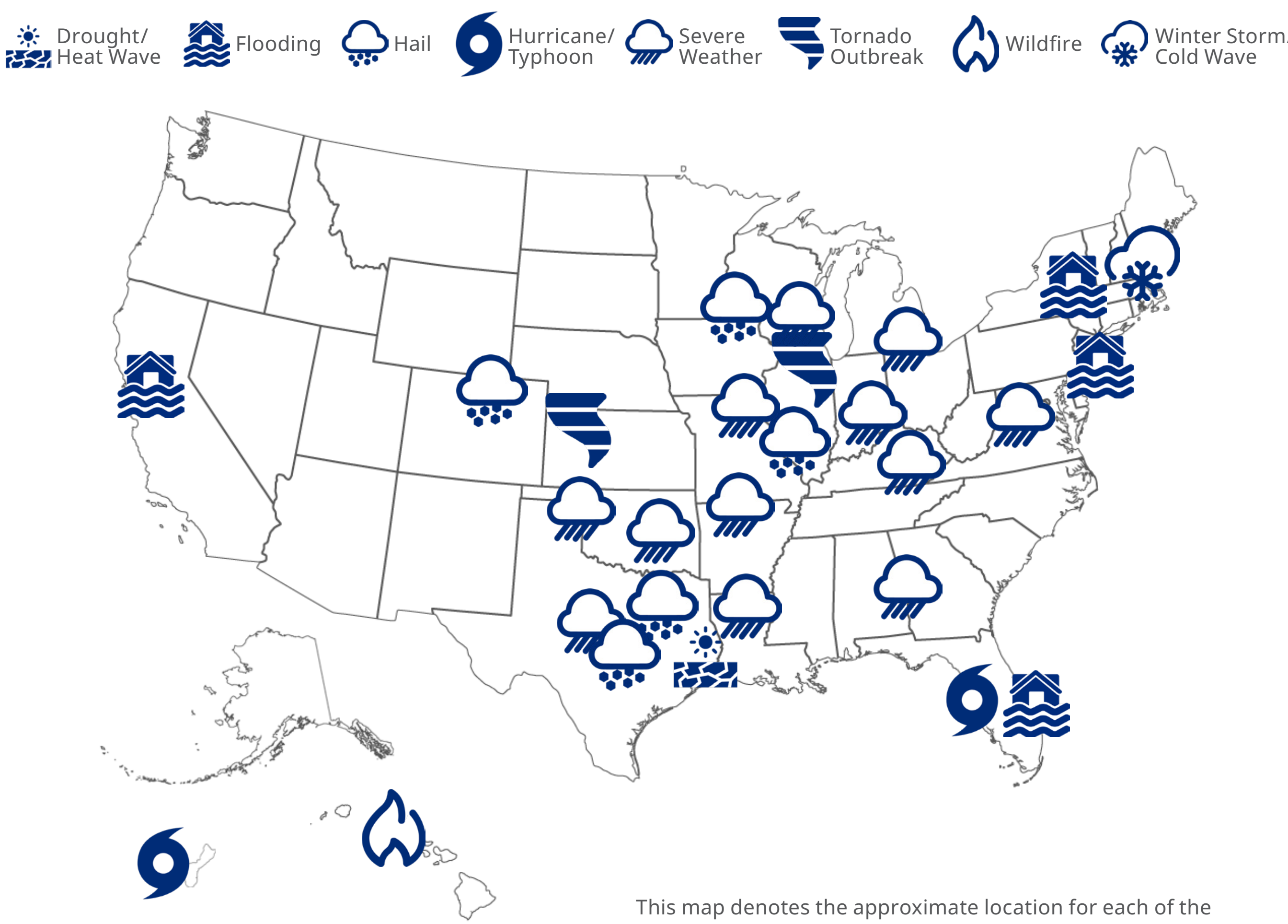
Source: National Oceanic and Atmospheric Administration, National Centers for Environmental Information

Insurance industry headwinds

A combination of costly losses and state regulations in catastrophe-prone areas is forcing insurers to take decisive actions to address rate inadequacy and reduce their exposure.

Facing higher reinsurance costs and a challenging regulatory environment in several states, some insurers have put holds on writing new business. Others have non-renewed large numbers of policies, and some are exiting markets entirely. We suspect that existing insurance regulations that make it difficult for carriers to earn a return on their capital will have a ripple effect on retail banking and housing. There is some good news, however, on this front.

U.S. 2023 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 28 separate billion-dollar weather and climate disasters that impacted the United States in 2023.

Source: NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2023).

State regulators in Florida recently implemented sweeping legislative changes to provide consumers with stable and sustainable access to insurance. In addition, the California Insurance Commissioner has announced a package of executive actions to improve insurance choices and protect Californians from increasing climate threats while addressing the long-term sustainability of the nation's largest insurance market. While it will take time to assess the effectiveness of these changes, flexibility on the part of regulators is critical to restoring a stable marketplace for consumers and insurers.

An early sign that these changes are having the desired impact is the renewed interest by reinsurers in putting fresh capacity back into the Florida market.

In the interim, the property insurance market has been especially challenging for family office clients. In addition to insurers withdrawing capacity and reducing coverage for some property risks, rates have risen sharply.

This year's Benchmarking Study shows that 71% of families experienced a rate increase of 20% or more in the past two years. Nearly one in three (31%) had a non-renewal of their property coverage, requiring a remarketing of the asset with other carriers, many of them being non-admitted insurers. These conditions are contributing to the hardest personal insurance market in a generation.

96% of clients live in catastrophe-prone areas

71% of clients have faced a rate increase of 20% or more in the last two years

31% of clients have faced a non-renewal in the last two years

Alternative solutions: What is a non-admitted insurer?

Increasingly, in the current hard market, alternative insurance solutions may be offered through a "non-admitted" insurer.

Non-admitted or surplus lines insurers are not required to file their rates or policy forms with a respective state regulator and don't participate in the state's Insurance Guaranty Fund.

This means that if the insurer faces insolvency, there could be potential financial risks for the policyholder in a subsequent claim. Marsh McLennan Agency uses strict financial guidelines when selecting and presenting options from carriers.

It is important to speak with a personal insurance advisor about the financial standing of each of the carriers offering of coverage for relevant risks.

How family offices are handling the hard market

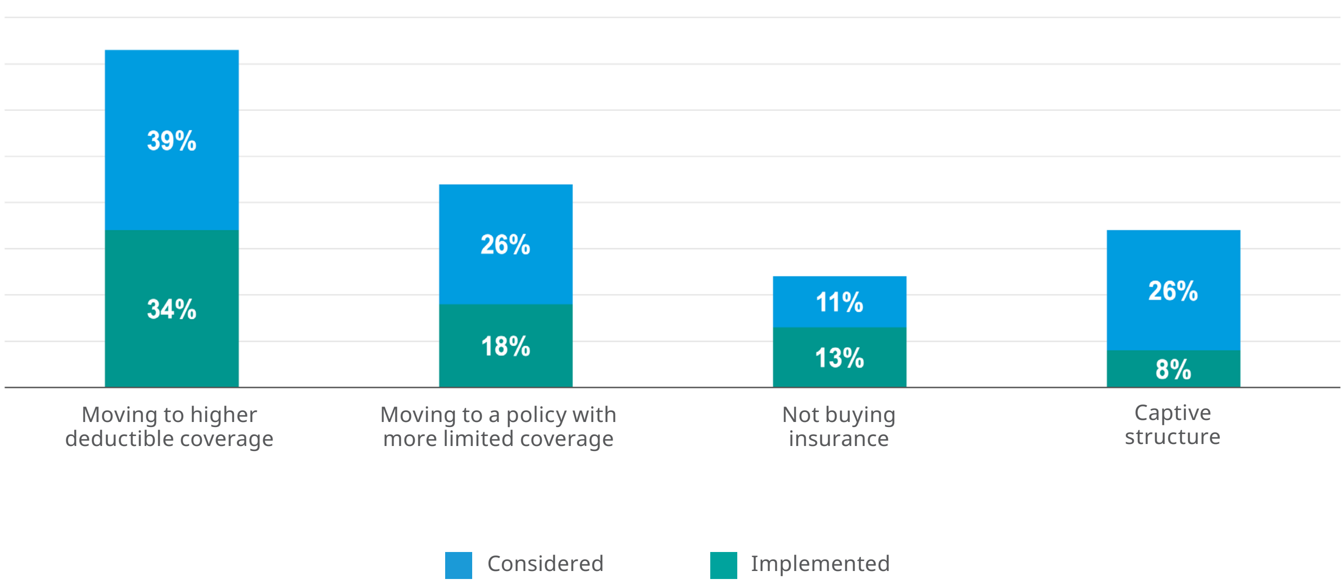
Family offices are generally more risk averse, with 61% indicating they would be willing to pay more for expansive coverage. Only 50% noted that their family members would feel the same. Most family offices indicated that expansiveness of the coverage was their top priority when choosing insurance products, followed by service and cost.

However, because of sharply rising insurance costs, many families are deciding to take on risks to reduce premiums. This includes limiting their coverage, increasing their deductibles, foregoing insurance, or creating a captive solution. Further flexibility by state regulators in permitting insurers to offer more creatively structured policies, consistent adoption of forward-looking risk models, and more timely response to filed rate increase requests would be a welcome response to the growing capacity and pricing dislocation in those states most impacted by the hard insurance market.

Of respondents who are purposely self-insured, 71% indicated that cost was the main factor that prompted them to take on this risk themselves. And 29% said it was due to excessive risk mitigation measures required by the insurance carrier. Proactive risk mitigation steps are increasingly common requirements by insurers. Yet, nearly one in three family offices surveyed indicated they would prefer to search for new coverage rather than take steps to protect their property. (Read more about risk mitigation on page 30.)

Taking on risks to reduce premiums

What measures have you implemented/considered to save on premium?



Alternative solutions: What is a captive?

A captive insurer is a legal entity formed primarily to insure the risks of one or more entities, including families. Captives are usually domiciled in a specific location, either offshore or onshore, and can be a direct writing company (i.e., issuing its own policies) or reinsurers of a fronting insurer. The coverage to be written, the services required, and the captive's domicile usually dictate how a captive would participate in the family office insurance program.

Personal insurance such as homeowners, personal automobile, umbrella, and other property and casualty coverages would most likely be issued through a fronting carrier due to regulatory issues and reinsured by the captive up to agreed upon per-occurrence and annual aggregate retentions.

Captives are formed for many reasons:

- Recapture underwriting profits and investment income that would otherwise be earned by the carrier
- Become an income-generating profit center
- Exercise greater control in the development and pricing of their insurance coverage
- Provide long-term alternatives to high deductible plans and self-insured retentions
- Potentially reduce insurance costs
- Enable strategies for wealth transfer, estate planning, and the potential for tax advantages based on the structure of the captive

Family offices considering alternative risk financing strategies to fund their family's losses or insure risks should first consult with an expert partner and conduct a feasibility study. This would help them to determine whether the formation of a captive insurance company would provide advantages as part of their risk financing and business strategy.

Family expectations and challenges

The types of family office structures are as varied as the families themselves. Some examples include a single-family office serving a multi-generational family, an individual family with a formal family office, or a dedicated representative supporting a multi-generational family and their affairs. Regardless of structure, family offices continue to play a critical role in supporting wealthy families.

In our study, the vast majority of families expect to require more support from their family office (50%) or at least the same level of support (47%) in the next five years. Most feel this is due to the rising generations needing help managing their risks (89%) and the development of emerging risks needing to be addressed (68%).

Only 11% of families surveyed believed their personal risk exposure in the past three to five years had decreased, whereas 89% thought their exposure increased or stayed the same. During the next three to five years, 58% of families think their exposure will be greater, while only 8% believe it will be less in that timeframe.

Risk management challenges

Family office executives face a number of challenges in serving the risk management needs of their families. When naming the biggest pain points in managing risks for their families, respondents named rising costs at the top of the list, followed by navigating the varying risks and tolerances across households and generations. Most respondents (68%) do not have an insurance expert on staff. Even families who do employ a designated insurance representative may find it difficult to address the severe market-driven cost challenges discussed earlier while juggling the complex needs of a variety of families. Family offices have a critical need for expert advice, consultation, and support from a specialized personal risk broker.

Interconnected administrative challenges wrap up the top five list of pain points for family office executives. Handling the administration of potentially hundreds of policies across several families can be an arduous task. In fact, 81% of respondents indicated they would value a secure web experience to help them more easily access policy information and educational insights. MMA PCS offers a family office client portal that helps family office executives and members manage their policies and risks more effectively. Further, we have invested heavily in expanding this technology to make our family office clients' lives easier.

An ongoing challenge for family offices' risk mitigation strategies is family dynamics. Fifty percent of family offices noted family dynamics can complicate efforts to bring mitigation solutions to the family. Examples range from differing levels of engagement and risk awareness across generations, to disagreements among family members about the priorities in the family business, mission, or foundation. Family offices also play a key role in managing this aspect. Thirty-nine percent of family offices indicated they have helped families work through dynamics that impact interpersonal relationships and communications.

What are your biggest pain points for managing risk as family office executives?

47% **Dealing with rising costs**

39% **Identifying and quantifying potential risks associated with different households and generations**

36% **Each member has different risk tolerance**

36% **Adding or changing coverage**

28% **Administration of the risk program**

MMA PCS is investing heavily in expanding our family office account portal technology to help ease the administrative burden of managing family risks.

Family dynamics

When family offices serve multi-generational families, one of the challenges that can arise is family dynamics. These interactions have affected families' interpersonal relationships, generational communication, legacy and continuity planning, and family business activities.

Most family offices surveyed in this year's study (89%) indicated their family understands the need for a comprehensive approach to risk management. Fewer (69%) reported they have all the family information needed to create optimal risk management strategies. While 86% of family offices surveyed agreed their family members proactively come to their family office with issues and concerns, only 56% agreed that all generations of the family were actively engaged with the family office. In addition, only 56% agreed their next-generation family members are clear about what matters most to the family legacy and their role in preserving it.

Wealth in many families is concentrated in their family businesses. According to the study, 55% of family members are employed or involved in the family business and/or its board. In comparison, 5% of families still hold shares or investment interests in the family business. For 39% of families, members are no longer directly involved or have liquidated their financial positions.

A particularly challenging dynamic that arises when families run a business together is resolving differences about exiting. When one member decides to leave the family business and others remain involved, how is that family member's interest distributed? The farther in time and distance a generation is from the wealth creator in a multi-generational family, the less likely those members are to understand and appreciate the family's legacy. Lack of succession planning and disengagement by younger generations can lead to conflict, resentment, and potential loss of the family legacy. Yet, only 37% of family offices surveyed agreed they had a business succession plan in place, and only 13% reported having an exit strategy. Dr. Jeremy Lurey, a consultant with The Family Business Consulting Group, encourages all family offices to evaluate their key leadership positions and have a leadership succession and continuity plan to sustain their business.

Which of these challenges have your family encountered?

39% **Family dynamics impacting interpersonal relationships and communications**

29% **Lack of formal legacy and continuity planning between generations**

26% **Younger generations not being interested or engaged in family/business activities**

21% **An older generation wanting to maintain control over family/business decisions**

While 61% of those surveyed reported having a foundation or philanthropy policy, only 29% reported having a NextGen committee.

According to Dr. Lurey, a key strategy for addressing these risks is implementing more structured and rigorous governance practices in the family office. For example, 39% of families responded that they hold family retreats. These engaging—typically annual—activities provide a great foundation for discussing family matters and educating younger generations about the family's history and legacy. If a family office had strong roots in Texas, hosting a local retreat could give younger generations growing up and living in other areas across the country a chance to reconnect with one another and experience life on the family's ranch.

Another powerful practice to build family harmony across generations is establishing a foundation or writing a family philanthropy policy. While 61% of those surveyed reported having a foundation or philanthropy policy, only 29% reported having a committee dedicated to engaging rising generations. Many younger family members have openly expressed their passion for making an impact—a NextGen committee can be an incredibly effective tool for giving future generations purpose, aligning them toward a common goal, and ultimately keeping them connected over time. This can go a long way toward reducing conflict and managing risk for multi-generation family offices.

What measures have your family implemented to plan for the future?

61%
Foundation or philanthropy policy

45%
Family governance

39%
Family retreat

37%
Business succession plan

34%
Family council

32%
Employment policy

29%
NextGen committee

18%
Family constitution

13%
Exit strategy

Top concerns among family offices

“Through robust education and expert consultation, we help family offices ease their concerns and take control of their risks.”

In the 2024 Benchmarking Study, families cited several areas of great concern for which they feel unprepared. The three areas that stand out to family offices include natural disasters, cyber risks, and personal liability. Reasons why families are concerned about these risks include:

- Frequency of weather events causing severe damage
- Ongoing ambiguity and the changing nature of cyber risks
- Growing financial implications of accident-related liability

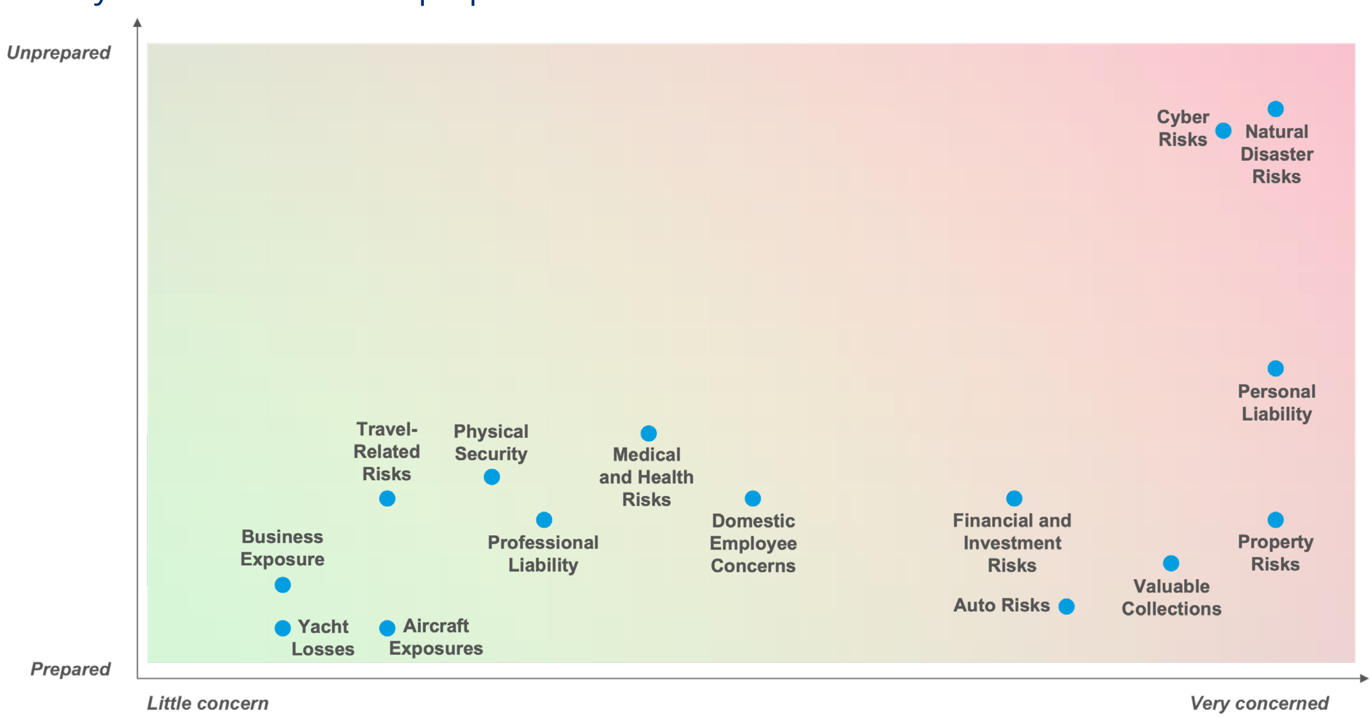
The graph shows these key areas of concern are also the perils for which families feel least prepared. Property risks, valuable collections, and automobile risks are also areas of concern, but families surveyed feel more prepared to handle those. Uncertainty and the possibility of large losses have placed natural disaster, cyber, and personal liability risks among families' top concerns. Through robust education and expert consultation, MMA PCS helps family offices ease their concerns and take control of their risks.

1 Natural disasters

2 Cyber risks

3 Personal liability

Family office concerns and preparedness



Natural disasters

Hurricanes, floods, earthquakes, and wildfires have occurred frequently in the past decade, causing billions of dollars in damage. Munich Re, a leading global reinsurer, estimates overall economic losses worldwide from natural disasters hit $270 billion in 2022, below the level in 2021 but on pace with the average of the prior five years.[3] Severe convective storms in the United States, often accompanied by tornadoes and hail, caused economic losses of more than $35 billion in the first half of 2023 alone, behind only the $46 billion recorded in the first half of 2011, according to Munich Re.[4] Another natural disaster, wildfires, remained severe in the western United States. In both 2022 and 2023, the California Department of Forestry and Fire Protection recorded more than 7,000 wildfires, which burned in excess of 320,000 acres each year.[5]

Some developments driving family offices' concerns about exposure to natural disasters arise from insurance market conditions. For example, a majority of family offices say existing property coverage for natural disasters is very expensive. One-third are concerned the family exposure is growing and insurers are likely to non-renew property assets. In addition, a third of family offices are concerned about families

What is driving your concern with natural disaster risks?

58% **Existing coverage is very expensive**

33% **Some of the properties/assets are likely to be non-renewed**

33% **Our family's exposure is growing**

33% **Some policies have a separate deductible for high-risk item**

24% **Existing coverage doesn't cover all risks**

having separate deductibles for high-risk items. It is clear families feel they are facing a continually unbalanced equation of paying more for less coverage.

In our study, UHNW and family office clients more frequently experienced non-renewals and higher premium increases. These client segments are more likely to own high-value properties in concentrated areas of high risk. This creates the increased potential for large-dollar, catastrophic losses that force insurers to take aggressive steps to protect their balance sheet through the targeted cancellation of policies and increased pricing measures.

Family offices and members will benefit most by working with a broker who can help them comprehensively evaluate their program and discuss their options to help ensure they have coverage. A risk partner can help family offices understand the reasons behind the price increases, why some properties are not insurable, and why certain risks—flood, windstorm, and wildfire, for example—are handled differently. A personal risk advisor will support and guide family offices through these difficult issues and provide education and counsel while facing the reality of less coverage availability.

Cyber risks

Frequency and severity of ransomware attacks have been on the rise since 2020 and have surged in 2023.[6] A disturbing development in ransomware activity is data destruction or theft, with threats to publish sensitive information from victims unless extortion demands are met. Cybersecurity experts believe this may be driving a new trend: encryption-less extortion, which is not as time-intensive for cybercriminals and can be used on many more potential targets.[7] Family offices, which handle important data every day for families, should remain mindful of safeguarding sensitive data and limit access to it.

Family offices in our study recognize their growing cyber risk but have been concerned about some cyber policies not covering critical risks. In our interviews, many families mentioned social engineering as a top concern that many carriers had specifically excluded in traditional policies. Further, cyber risks may be top of mind for family offices who understand what's at stake, but less so among family members who are unaware of best practices to keep their family safe. Working with a risk advisor who can provide access to solutions and resources to test and support defenses would help alleviate some of this concern for family offices.

What is driving your concern with cyber risks?

50% **Our family's exposure is growing**

38% **Existing coverage doesn't cover all risks**

28% **Our family doesn't understand their exposure**

Social engineering on the rise

A growing area of cyber risk, which previously was excluded under many cyber insurance policies but is now covered under newer, more expansive policies, is social engineering. This term refers to a variety of tactics that cybercriminals use to defraud victims. For example, cybercriminals may use victims' personal or professional information to seem credible and trick them into voluntarily doing or revealing something they otherwise would not, such as electronically transmitting money or providing access to personal data.

Social engineering attacks range from simple phishing—fraudulent emails that try to get recipients to click a link and unwittingly launch malware—to sophisticated impersonation using a spoof phone and/or email purporting to be a family member asking an employee to wire funds to complete a business transaction. Known as business email compromise (BEC), the Federal Bureau of Investigation's (FBI) Internet Crime Complaint Center in 2022 received more than 21,800 BEC complaints, with losses totaling $2.7 billion. This accounts for more than one-fourth of the total internet crime losses reported by victims.[8] The FBI data shows BEC incidents growing in frequency as well as financial loss in each year since 2020.

Historically, cyber policies did not cover losses where a victim willingly transferred funds. However, insurers have increasingly recognized this as online fraud, and several are now covering social engineering. An MMA PCS personal risk advisor can provide information on cyber risk coverage options as part of a comprehensive risk review.

Personal liability

Personal liability trends have been on the rise for years, driven by the growth of social inflation and nuclear verdicts. Changing attitudes in the U.S. legal system have led to more lawsuits and skyrocketing jury awards as jurors become willing to depart from legal guidelines in compensating plaintiffs. In addition, more lawsuits are receiving funding from hedge funds and private equity investors. These phenomena, known as social inflation, are contributing to a surge in high-value verdicts and settlements.

Between 2013 and 2022, social and economic inflation increased loss and defense containment costs in personal auto liability by $61 billion, according to a September 2023 study by the Insurance Information Institute.[9]

With larger decisions becoming more common, it is increasingly important that wealthy families carry higher limits to protect themselves. Many survey respondents also noted that the very existence of high limits of personal liability coverage—along with a high-visibility profile—makes them feel more vulnerable to lawsuits and claims, sometimes leading them to underinsure relative to their risk profile. This perceived cycle of risk may be one reason personal liability remains a top concern despite high levels of existing coverage. It may be more important to offset the catastrophic liability risk with appropriate levels of insurance—even if it is due to social inflation—rather than choosing lower levels of coverage and leaving a large jury verdict to chance.

Many family offices noted that some of their family members simply don't understand what's at risk. This level of understanding varies by household as well as generation. Family offices and members may benefit from education and resources around the potential broader impacts of liability risks.

Every family has a unique risk profile influenced by their lifestyle, assets, relationships, and tolerance for risk. Working with a trusted risk advisor is a good place to start to help families uncover hidden liability exposures and help uncertain family members better understand the options available. Many families ultimately find that the cost of additional limits of coverage is significantly less than paying out-of-pocket for a higher judgment.

What is driving your concern with personal liability risks?

64% **Our family's exposure is growing**

30% **Our family doesn't understand their exposure**

21% **I'm concerned the existence of higher liability limits will make me more vulnerable to claims**

Insurance coverage benchmarking

“Understanding how their peers think about risk and make policy decisions can help empower family offices to make informed decisions and navigate the family’s future with confidence.”

To help provide our clients with perspective and help them make decisions on the risk management programs for their own families, MMA PCS has gathered the following benchmarking statistics on specific coverage areas.

The data obtained for this analysis was generated from the policy information of more than 100 family office clients who protect themselves with personal insurance programs with annual premiums greater than $100,000 each. To gather a broad perspective, we evaluated the programs of clients who are large, multi-generational families or individual family households who may work with a single or multi-family office or who directly employ financial staff.

Family office risk management

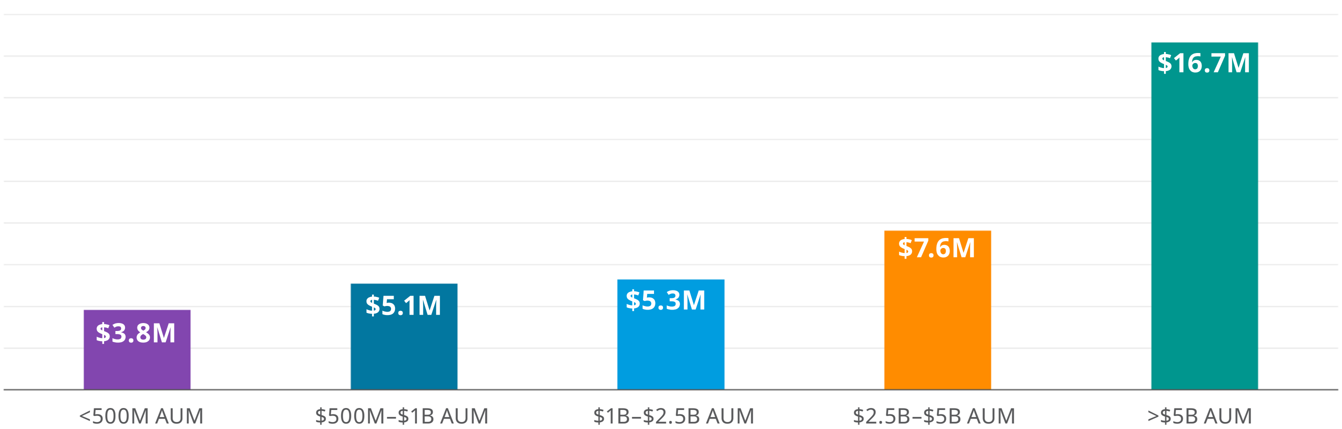
Management liability and professional liability

More family offices are increasing the sophistication of their capabilities or evolving the level of services they provide to families. Services may include asset management and investing, estate planning, tax planning and compliance, bookkeeping and accounting, trust and trustee services, and more. Even though the structure of and services provided by each family office are unique, the largest risk exposure is liability for any error or omission made while performing their professional services. As a result, more family offices are purchasing management liability insurance, including professional liability coverage.

Family offices surveyed by MMA PCS reported buying levels of coverage for management liability and professional liability exposures that vary by total assets under management. For family offices with more than $5 billion of assets under management, the average professional liability limit was about $16.7 million, with an average retention of nearly $328,000. For $500 million to $1 billion in assets under management, the average limit was about $5.1 million, with an average retention of $177,000.

Factors that can influence family offices' exposure to management liability or professional liability include the involvement of younger generations in decision making and direct investment activity by families. For example, generational succession after a family's matriarch or patriarch passes away often prompts family offices to focus on fiduciary responsibilities to surviving family members. Asset managers in family offices tend to see lawsuits during economic downturns, regardless of negligence or fault. Market volatility can and does change, which can increase asset managers' liability exposure.

Family office average professional liability limits purchased, by assets under management (AUM)



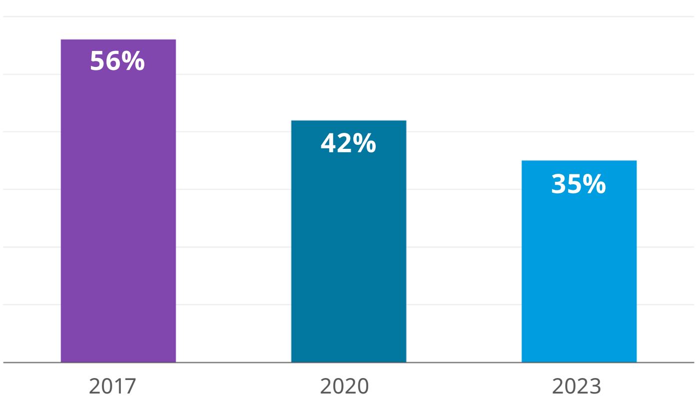
Family insurance standards

When managing risks for many households, a helpful tool for family offices and risk managers is to establish family insurance standards. Standards are especially helpful in preventing coverage gaps and managing the expectations of family members. Whether they are formal, in written form, or informal, family insurance standards enable family members to participate in choosing minimum coverage requirements and for new households to acquire knowledge of the insurance program. In addition, adhering to standards can maximize coverage availability and cost-effectiveness for all family members.

Establishing minimum standards is an effective way to structure a family insurance program. For example, common standards include:

- All family members carry a specific minimum amount of liability coverage
- All homes have primary flood coverage
- All homes above a specified value carry a certain deductible
- All family members have a minimum level of coverage for fine arts, jewelry, and other collectibles
- All family members obtain loss estimates before submitting property insurance claims

Family Office Use of Insurance Standards



Interestingly, the implementation of insurance standards has been trending downward for several years. Among families surveyed, 35% use family insurance standards in their risk management programs. In the 2021 benchmarking study, 42% used standards, down from 56% in 2018.

Creating a formal set of standards is the most helpful way to implement guidelines. However, only about 20% of families have these in writing. MMA PCS can help provide direction for family offices in creating and maintaining an effective set of family insurance standards.

Opting out of a standardized family insurance program can have unintended consequences. For example, one family member sought separate coverage for his residences from a different insurer to reduce premiums. He achieved his goal but inadvertently created another, larger set of problems for the rest of the family. The insurer writing the family's homeowners program viewed the move as a substantial deterioration of the overall risk portfolio. It declined to renew the other family members' properties on the same terms as before. This resulted in less coverage and, ultimately, higher costs for the rest of the family.

Family insurance standards offer numerous advantages, including customized protection for the differing needs of family members, maximized coverage savings, and increased engagement in the family's insurance and risk management program.

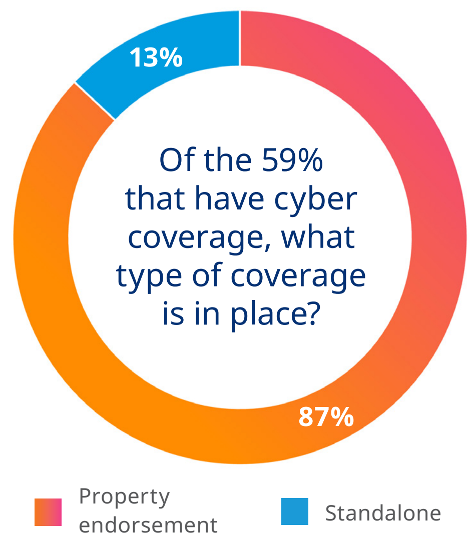
Property and assets

Cyber risks

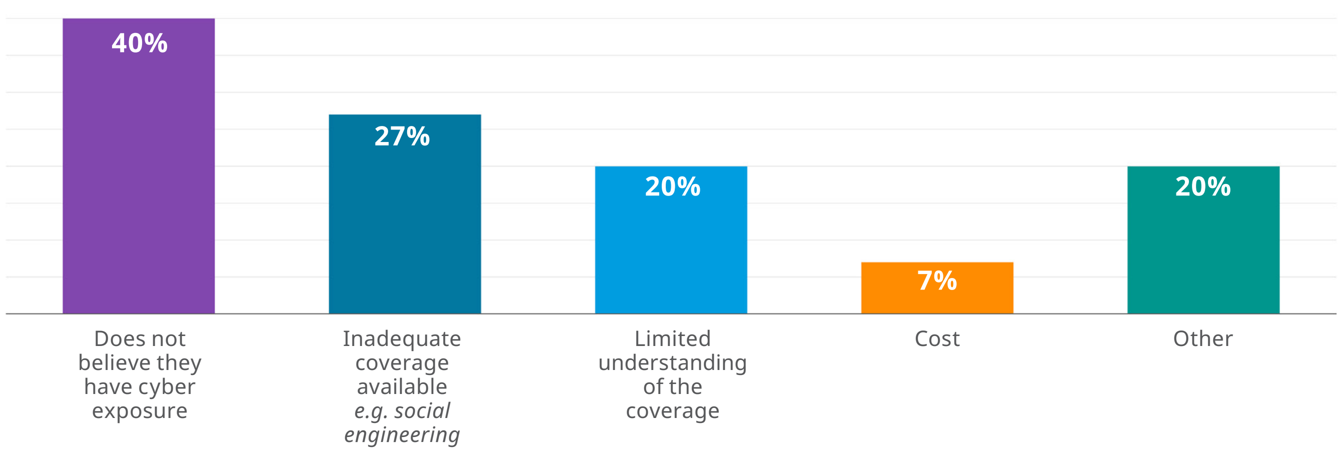
As one of clients' top concerns in this year's report, cyber risks are among the most dynamic and difficult to understand. Families surveyed tend to have cyber coverage under different policies.

Cyber coverage is available as part of a property policy or as stand-alone insurance. Among the 59% of families that have cyber coverage, only 13% buy stand-alone cyber policies. The remaining 87% have cyber coverage through a property policy endorsement. While cyber endorsements cover some risks, as cybercriminals continue to evolve their schemes, these measures may not protect the family from uninsured or underinsured risks. Exploring additional stand-alone cyber coverage could minimize the financial impact of a cyberattack on the family.

In 2021, a record year for ransomware attacks, rates for cyber insurance soared, increasing by triple digits for many buyers. Aided by additional market capacity and new entrants, cyber rates have since decreased significantly. These market conditions could make 2024 an opportune time for family offices to explore cyber insurance in greater depth, ensuring that families' coverages align with their exposures.



Why has the family opted out of cyber coverage?



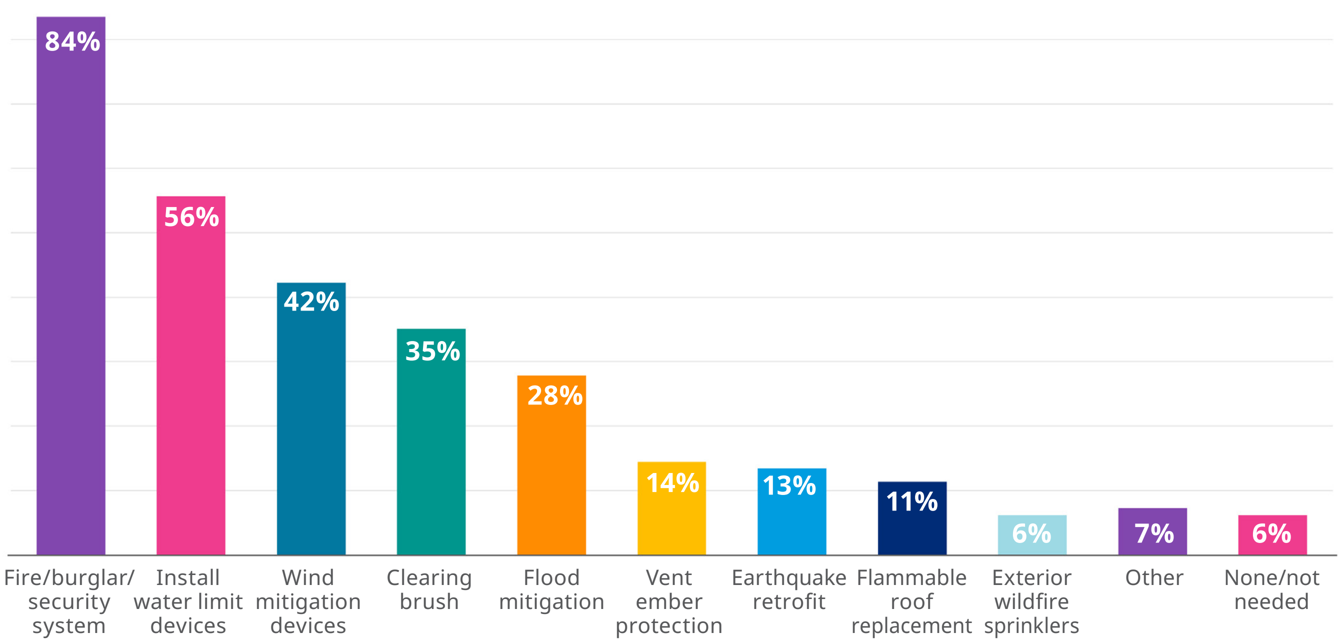
Homeowners insurance

Primary residences, vacation properties, and their contents can lead to costly losses at any time. Exposure to fire, severe weather, flooding, crime, and accidental damage can result in significant expenses to repair or replace cherished homes and belongings. Economic inflation and supply and demand imbalances in home inventories have inflated home values, in many cases leading to potential gaps in insurance coverage.

Market conditions have led families and family offices to manage higher premium costs by including increasing deductibles, lowering coverage limits, intentionally underinsuring specific risks, opting out of insurance, or choosing to self-insure through a captive structure.

The high cost of property coverage is leading families to consider options for reducing the expense. This year's *Private Client Insurance Benchmarking Study* found that non-MMA PCS clients are twice as likely to self-insure or underinsure their properties. The vast majority of MMA PCS clients have considered or implemented steps to retain more risk to reduce property premiums. One reason for this may be MMA PCS' ongoing efforts to educate and inform clients about their exposure relative to their risk tolerance and to offer clients optionality in terms of program designs, structures, and pricing.

What measures are the family taking to mitigate catastrophic risks?



The importance of a proactive approach to risk mitigation

Insurers are becoming increasingly prescriptive in requiring policyholders to take actions to mitigate risk. Many family office clients are reluctant to comply. Yet, one of the most important things homeowners can do to avoid costly, disruptive repairs and maintain insurability is to take thoughtful risk mitigation steps to proactively protect their home, which for many will be their single most valuable asset.

Of concern, nearly one in three family offices would rather look for new coverage—which will be difficult in a challenging market—than implement risk mitigation recommendations.

MMA PCS places a high priority on client education relative to proactive risk management and mitigation. We act as an independent broker to conduct a deeper discovery with the client and carriers to help determine the critical areas of exposure. Then, we help clients understand how certain steps will help protect their property and assets from loss, making them more resilient and more insurable. When we give recommendations, we are considering not only current insurability but future insurability.

This approach has resulted in more positive outcomes for our clients as shown in our study. Only 19% of family office clients we advise experienced a property loss of more than $100,000 in the past two years. This is well below the 40% of ultra high net worth clients who do not work with MMA PCS. A shift in the mindset of homeowners toward proactive risk mitigation is an essential step in decreasing losses and increasing insurability.

Insuring multiple properties

Many families possess multiple properties with tangible assets, such as valuable collections, art, jewelry, exotic or antique automobiles, yachts, and watercraft. Property insurance can protect these assets from losses such as theft, damage, vandalism, and natural disasters including but not limited to fire, flood, and windstorms.

Whether a family has few households or many, it's common for them to own multiple homes in one or more countries. Complying with local regulations and individually insuring each property can be quite complex and lead to coverage gaps, not to mention greater expense. One way to ease the administration of an insurance program and ensure appropriate protection of each location is through a blanket property policy. The 2024 Benchmarking Study found that 13% of families surveyed utilize a blanket property policy, up from 11% in 2021. Interest in this form of combined coverage, however, is high among MMA PCS family office clients at 61%.

A blanket property policy can be structured to protect international as well as domestic properties, but underwriters generally seek a geographic spread of risk. For example, a family with properties concentrated in one region or state might not present enough geographic diversity to meet underwriting requirements or obtain favorable coverage terms and conditions.

In any case, working with a risk advisor with a presence in international jurisdictions and experience in differing regulatory requirements facilitates the structuring and negotiation of appropriate coverages on the best terms available in the marketplace.

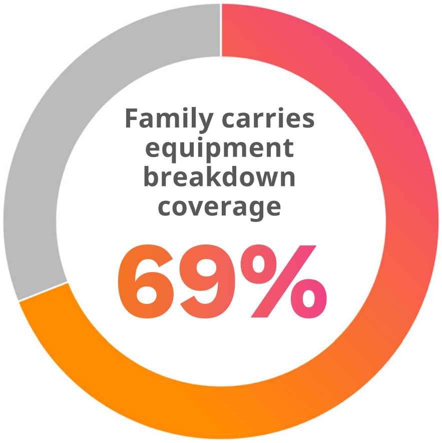
Is a blanket property policy right for your family?

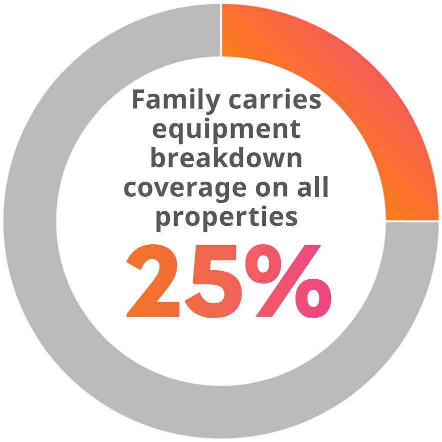
Advantages	Challenges
Broad coverage—can combine perils, e.g., fire, flood, wind, hail, across multiple properties	Requires geographic spread of risk (e.g., multiple states, international properties)
Prevents coverage gaps	Requires family coordination and agreement on premium allocation
Ability to customize coverages	Valuable articles, auto and watercraft exposures require separate policies
Efficiency—consolidates numerous policies under a single master policy with one bill	Takes longer to structure and quote
Can generate premium savings	
Ease of administration (e.g., can provide one common effective date for all households)	

Equipment breakdown

Many homes today have complicated equipment designed to improve efficiency, comfort, and convenience—from heating, air conditioning, and ventilation systems to plumbing, electric generators, and "smart" mechanical systems. Specialized equipment breakdown insurance is available to protect these assets. This coverage can also be structured on a blanket basis to protect equipment and systems at multiple properties.

Of families surveyed in the Benchmarking Study, 69% carry equipment breakdown coverage—a notable increase from our last study—and 25% have this coverage on all their properties. "Smart" home items that may qualify for equipment breakdown coverage include home automation and security equipment, connected appliances, power generators, and pool automation equipment.





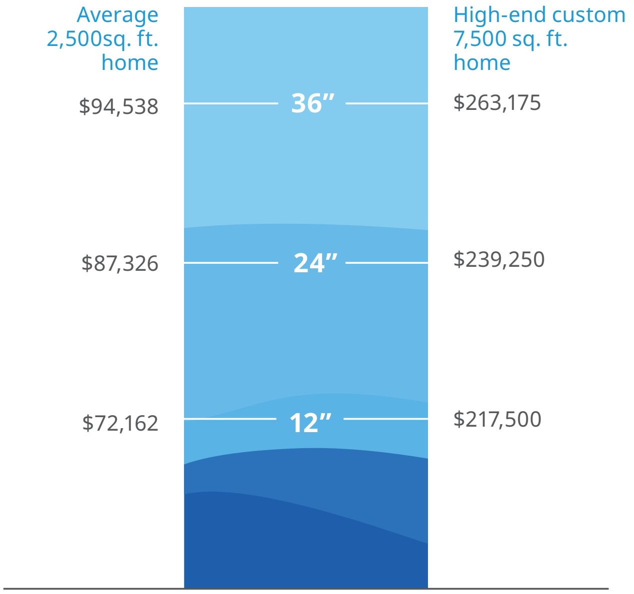
Primary and excess flood

Floods are the most common natural disaster in the United States, according to the Federal Emergency Management Administration (FEMA), and they are the most expensive. Floods cost homeowners and communities billions of dollars every year.

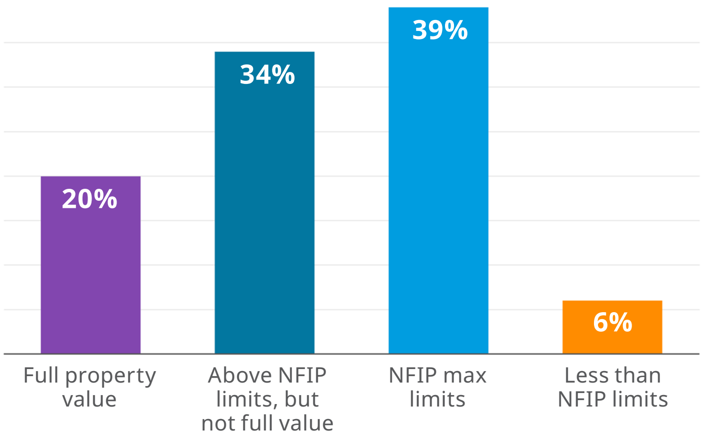
FEMA administers the National Flood Insurance Program (NFIP), which provides limited primary coverage for residential and commercial properties. The NFIP pays up to $250,000 for residential flood damage and up to $500,000 for commercial damage. FEMA estimates that as little as one inch of water can cause $25,000 of damage to a home, while a foot of water in a 5,000-square-foot, two-story home can cost more than $143,000.[10] It's worth noting that FEMA's calculations reflect standard homes, not custom homes, with high-quality finishes and furnishings that would make a flood claim exponentially more expensive.

A testament to their understanding of the importance of flood protection, among families surveyed, 92% carry some level of primary flood coverage. This is an increase of 10% since our last study, yet only 20% of these families insure the full value of their property. Many families carry only the maximum level of coverage provided by the NFIP, and just over one-third of families carry more

The cost of flooding[10]



What level of flood coverage do most families carry?

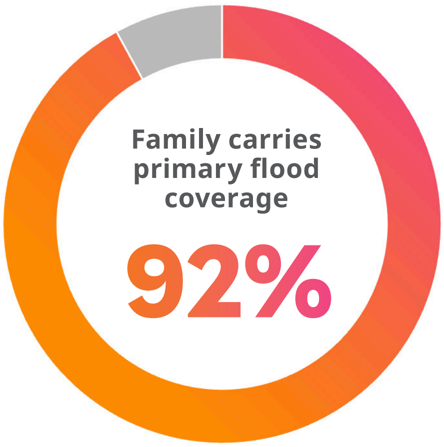


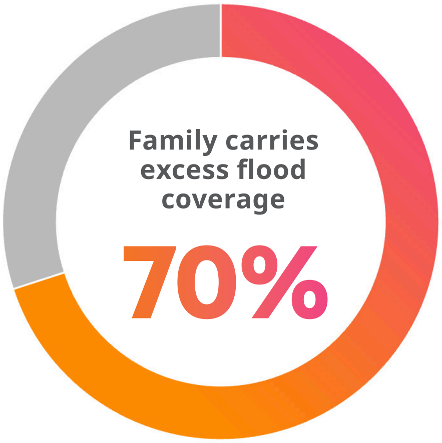
protection than NFIP limits but not the full value of their home. Recognizing that flood damage can be severe, more families are now carrying excess flood coverage than in previous years. Seventy percent of families carry excess flood coverage, up from 57% in 2021 and 43% in 2018.

On average, in the U.S., less than 20% of homeowners carry flood coverage. One reason may be a lack of education and advice from their trusted advisors on flood risk. MMA PCS clients are better protected and more confident they're prepared for flood risk partly because of consistent efforts to keep them informed of their risk and the value of insuring against it.

An unfortunate consequence for those areas where wildfires and other natural disasters remove vegetation is an increased risk of floods and mudslides. With many wildfires occurring in the western United States, excess rainfall events are more likely to result in flooding in affected areas, which may not be in a typical flood zone.

Numerous options exist to protect against flood risk. A private market for flood insurance is rapidly developing, offering a variety of products that can supplement or replace NFIP coverage and provide enhanced coverages, such as additional living expenses. Family offices and families should consult an experienced risk advisor to explore those options and obtain the best protection.





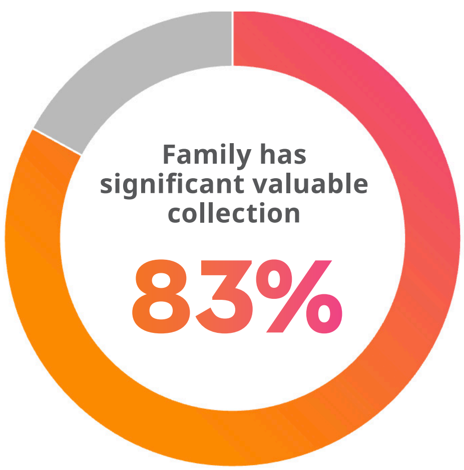
Valuable articles and collections

Successful families often acquire and hold valuable possessions, from individual pieces of jewelry and watches to collections of fine art, antique or exotic automobiles, and sports memorabilia. In this year's Benchmarking Study, 83% of families surveyed own a significant collection, up from 69% in our 2021 study.

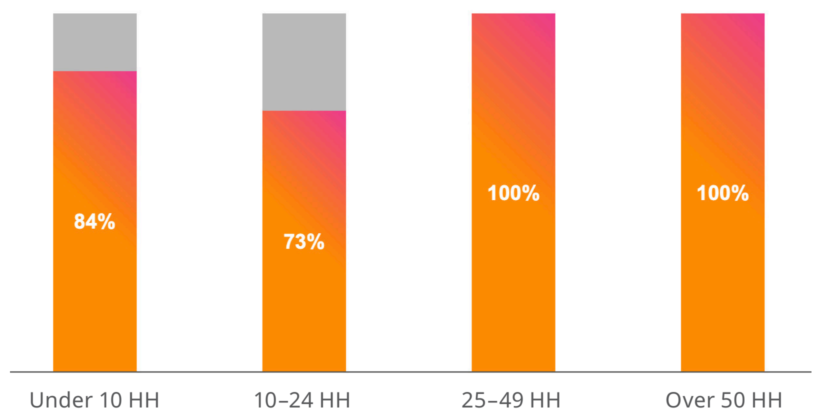
Of the families with collections, fine art is the most commonly owned valuable at 83%, followed closely by jewelry and watches at 81%. Almost all families surveyed (98%) maintain valuable articles and collections in their primary residences. Additionally, 67% keep some of their items in secondary residences and 24% hold some valuables in storage.

The overall value of a collection may represent a significant portion of the family's net worth. In such a case, it represents an asset class that deserves to be treated as part of their overall investment portfolio. Collections require appropriate insurance solutions that consider their special nuances, including rarity and challenges in valuation.

Valuable collections are afforded only limited financial protection under homeowners insurance, even when covered by a premier insurance provider. It's important to talk with your risk advisor about your collections, where they are kept, and how they are used. Each type will have nuanced needs to help ensure these treasured investments are protected.



Families that have a significant valuable collection by household (HH)



What does the family collect?

83% Art

81% Jewelry

24% Automobiles

15% Silverware

12% Household items(antiques)

8% Furs

8% Firearms/guns

7% Wine or spirits

6% Couture items

Valuable considerations for loans, gifts, and collateral use

For some families, making loans or gifts of pieces in their collections is a meaningful venture. In the Benchmarking Study, 21% of families surveyed report loaning pieces and 14% report making gifts from their collections. For others, the value in their valuable articles and collections may serve as collateral for temporary financing of business ventures. All of these decisions have insurance and risk management implications.

Lending pieces from a collection to an institution, such as an art museum, offers advantages to owners and the institution. Displaying a piece that is privately owned can bring interest and prestige to the institution. The exhibition can make the piece more valuable for its owner. Determining which party insures the valuable article on loan is subject to negotiation, and at times it may make sense for each party to share that responsibility.

Giving artwork to an individual or an institution can raise questions about valuation, taxes, and insurance coverage. Sometimes, a physical piece transfers to the recipient upon the owner's death, but the object's value is transferred earlier. In such cases, it may be unclear whether the owner or the recipient should insure the gift, or what the appropriate valuation should be—is it the price the owner paid to acquire it or its current valuation? Ensuring appropriate security, climate control, and maintenance—such as conservation and restoration—as well as insurance against theft and damage, are vital to preserving the value of art and other collections.

Lenders considering fine art as collateral for financing typically require a current appraisal and that the artwork be insured to its value, even though a loan may be a percentage of the overall worth. While not a new trend, more banks are entertaining loans against art as the value of well-known artists remains stable.

Fine art and collectibles have always attracted passionate collectors. Since 2008, there has been an increase in the number of families and individuals collecting as an investment. Many such collections can double, triple, or even quadruple in value over time, and they may be in storage, not displayed in collectors' homes.

Ensuring appropriate security, climate control, and maintenance—such as conservation and restoration—as well as insurance against theft and damage, are vital to preserving the value of art and other collections.

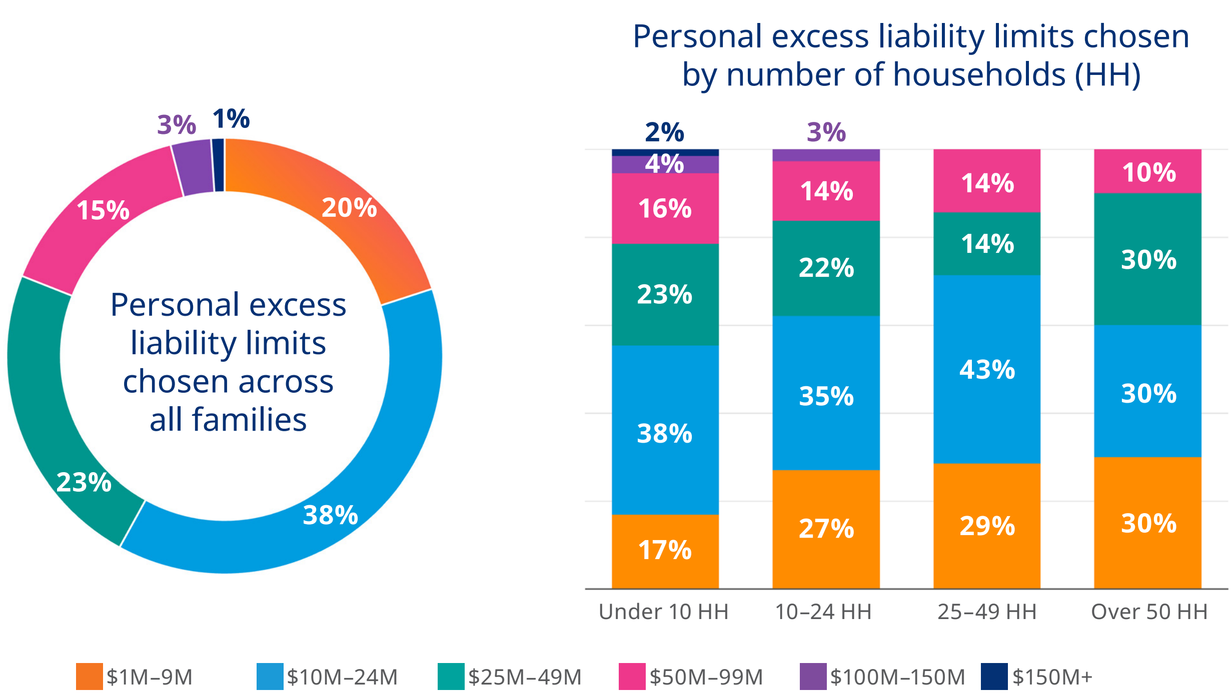
Liability

Personal excess liability

With multimillion-dollar lawsuits becoming more common, wealthy individuals, families, and family offices may see themselves targeted by expensive litigation. Families surveyed have recognized this trend, and 99% have a personal excess liability policy. Even so, almost one in three family offices (32%) list personal liability as a risk area for which they feel least prepared.

Trends in litigation suggest liability exposures are rising for many families, with steep increases in both settlements and verdicts. A misconception held by some families is that having higher coverage limits increases their risk of being sued. While insurance information is discoverable in civil litigation proceedings, details on limits should not be shared openly, particularly in the event of an accident, regardless of fault. For example, if a family member is involved in an automobile crash—or another incident causing bodily injury or property damage—the family member may supply the contact information of an insurance representative but should avoid disclosing any specifics on coverage.

All family office clients in our study have some form of excess liability coverage, whether through an individual or group policy. Coverage limits range greatly from $10 million to $150 million, with the highest limits of liability selected by a very small percentage of families, typically with fewer family members. Personal liability exposures vary widely, but families with a larger number of households, i.e., 25 or more, appear to have a greater appetite to self-insure risks associated with a significant lawsuit. This is likely due to their access to a larger asset pool. The smaller families, i.e., 24 households or less, have been choosing the highest limits, likely due to the fact that they have less potential to recoup assets after a devastating judgment.



The risk of financial loss can be significant at any given moment. Typically, the cost of personal excess liability insurance per $1 million of coverage is one of the least expensive forms of protection available. It is a fraction of the cost of insuring a home. In some cases, multi-household family offices have obtained excess liability coverage as a group. Group excess liability programs may provide cost advantages and other benefits and are often worth considering.

It's one thing to accept risk for lower-value claims, such as fender-bender auto accidents. It is entirely different for a family to leave itself exposed unnecessarily to catastrophic judgments and claims, especially in an environment of unprecedented social inflation, where a single judgment can potentially eliminate one's liquid assets and significantly impair one's overall net worth. While personal liability insurance will not necessarily help one avoid liability arising from an event, having adequate coverage can significantly mitigate the downstream consequences of an event. Working with a personal risk advisor to determine an appropriate limit that aligns with the family's financial objectives and risk tolerance will help lessen concern over this prominent risk.

All families

$23M

Average liability limit per household

Directors and officers (D&O) risks

Successful individuals are frequently invited to become independent directors of for-profit and nonprofit organizations. The benefits of serving as a director can be numerous, including the opportunity to impact an organization's growth, expanding a personal and professional network, and enhancing one's experience.

In the current litigious environment, however, acting as a director or officer carries significant potential liability exposures. These can include a court ordering an independent director to pay a judgment from personal assets. In addition, most organizations have commercial D&O policies in which individual directors and officers share limits. This can lead to inadequate coverage depending on the size of the claim. Therefore, personal D&O liability insurance can be critically important.

Among family offices surveyed, 57% said family members participate on boards of directors. Of those family members who serve on boards, 50% have D&O coverage, including 16% who have D&O coverage through a standalone personal D&O policy.

When considering a board role, family members should conduct due diligence and determine what level of coverage and indemnification the organization will provide. The next step would be to consult with their risk advisor to determine whether the protections offered are adequate to satisfy their risk tolerance. It is possible that one will want to add standalone D&O coverage to further protect against any potential exposures.

Domestic employees

In addition to family office staff, 72% of families surveyed reported having domestic employees. Of these, 97% of families have non-family office staff inside their homes, such as butlers, maids, cooks, and nannies. Seventy-eight percent employ domestic staff outside their homes, e.g., gardeners, landscapers and groundskeepers. Sixty percent of families employ clerical staff, including personal assistants.

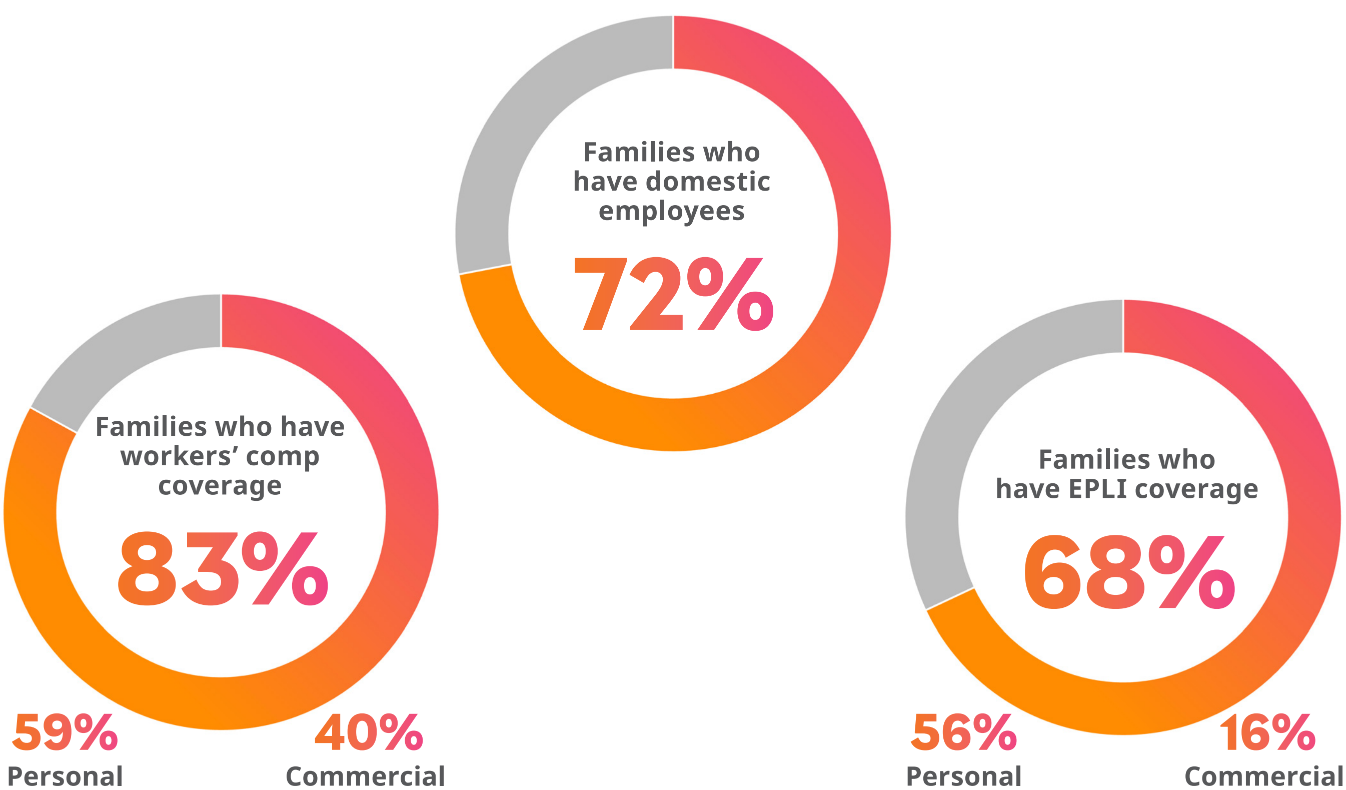
Among all three types of domestic staff, relatively few are full-time, and most families employ full- and part-time staff. Clerical staff represent the largest segment of full-time domestic employees, with 39% serving in full-time roles, vs. 8% for inside domestic employees and 7% for outside.

Many MMA PCS families consider their domestic employees to be highly trusted members of their households, with some supporting the families for years.

Despite the deep trust and confidence families place in their domestic staff, two types of insurance coverage are important considerations:

> **Workers' compensation.** Workers' comp insurance is required in almost all U.S. states for employers with as few as one employee working 16 or more hours per week. This form of insurance provides statutory coverage for the costs of medical care and rehabilitation of insurance workers, as well as lost wages and death benefits for the dependents of workers.
>
> Despite state mandates and offers to secure coverage, workers' compensation coverage is only carried by 83% of families employing domestic staff through a personal or commercial policy. This is an increase of 6% from our last study.
>
> **Employment practices liability insurance (EPLI).** EPLI is designed to respond to wrongful discharge, discrimination, harassment, and defamation claims against employers, their directors and officers, and their supervisory employees. A valuable benefit of EPLI is the defense of lawsuits filed by employees as well as funds to pay damages, awards, and settlements.
>
> Of families surveyed in this year's Benchmarking Study, 56% have personal EPLI coverage (either through stand-alone coverage or as part of personal excess liability or group personal excess liability policies). Sixteen percent have commercial EPLI coverage, and nearly one-third (32%) do not carry EPLI.

Some ways to mitigate the risk of employee injuries and liability claims include implementing clear guidelines that outline employees' responsibilities and expectations, utilizing a formal employee handbook, and employing a cadence of timely performance feedback. Among family offices surveyed, only 8% use a formal employee handbook, a significant decrease from our prior study.



Balancing the risk equation

Family offices and the families they serve all have unique needs and risk challenges. Therefore, it is crucial to understand loss trends and engage in regular risk management planning with your trusted broker. A telling statistic in the 2024 Family Office Benchmarking Study is more than one in four families (26%) are confused about the necessary information to place appropriate coverage. Fifty-two percent have difficulty understanding the reasons behind insurance price increases, and 49% are confused by the insurability of properties in catastrophe-prone areas.

Insurance programs for wealthy families can be complex, reflecting the diverse assets and lifestyles of families themselves. Family offices are generally well-equipped to support families, but 68% do not have and do not plan to hire an insurance specialist for their team. Among family offices with insurance specialists, 11% report having a specialist focusing on personal insurance, and 18% have a specialist focusing on both personal and commercial insurance.

The majority of families surveyed have a strong grasp of risk management fundamentals but still need assistance in some areas. As risks become more complex and rising generations become more involved in family affairs, family offices and family members can benefit from advice and counsel. In fact, families who work with a trusted, expert personal insurance broker and risk advisor generally have better outcomes than those who purchase coverage directly through a carrier. It's essential to work with a broker who provides in-depth consultation, a range of choices for a robust insurance program, and dedicated advocacy, all combined with meaningful education. This can help avoid risks, protect family members, safeguard their legacies, and allow families and family offices to move forward with confidence.

To learn more about family office risk management, contact MMA PCS or visit mmapcs.com.

“In this era of increasing complexity, and generational involvement in family affairs, it has never been more crucial to work with a trusted and respected personal risk broker to help you safeguard your legacy and ensure prosperity for generations to come.”

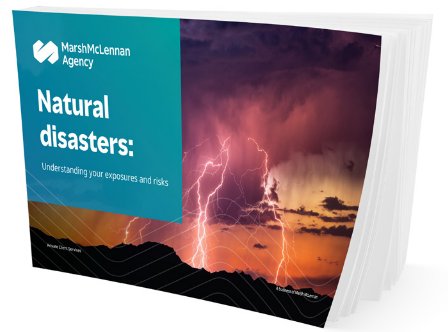
Additional thought leadership from MMA PCS

Cyber Risks and Identity Theft

Cybercrime against individuals, especially the affluent, is on the rise. Learn how to protect yourself from cyber risk, identify theft, and fraud.

Protecting Passion Investments

From fine art to wine to watches, coins, and more, collecting things you love adds value to your life and to your investment portfolio. Read about collecting trends and how to best protect your passion investments.



Natural Disaster Risks

From floods to wildfires to winter weather and convective storms, it's critical to understand your family's exposures to natural disaster risks and severe weather events. Learn how you can get prepared and protect yourself and your property.

MMA PCS additional resources

"Flood: Understanding the Risk, Navigating Insurance Options"; https://www.marshmma.com/us/insights/details/flood-understanding-the-risk-navigating-insurance-options.html

"When Wildfire Threatens: Strengthen Your Defense," Robert Pritula; https://www.marshmma.com/us/insights/details/when-wildfire-threatens-strengthen-your-defense.html

"Managing Family Wealth: Establishing Family Office Insurance Standards," Kimberlee Connell; https://www.marshmma.com/us/solutions/individual-solutions/liability.html

"The Hardest Personal Insurance Market in a Generation," Marsh McLennan Agency Private Client Services; https://www.marshmma.com/us/insights/details/natural-disasters-impact-on-the-personal-insurance-market.html

Liability Coverage Estimator; https://www.marshmma.com/us/services/private-client-services/liability-coverage-estimator.html

"Questions every nonprofit director should ask about directors and officers insurance," Dan Hanson; https://www.marshmma.com/us/insights/details/questions-every-nonprofit-director-should-ask.html

References and resources

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3 "Natural disasters in 2022," Munich Re; https://www.munichre.com/content/dam/munichre/mrwebsitespressreleases/natcat_stats_2022_factsheet.pdf/_jcr_content/renditions/original./natcat_stats_2022_factsheet.pdf

4 "Earthquakes, storms, floods: Natural disaster figures for the first half of 2023," Munich Re; https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2023/natural-disaster-figures-first-half-2023.html

5 "2023 Incident Archive," California Department of Forestry and Fire Protection (CAL FIRE); https://www.fire.ca.gov/incidents/2023

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At Marsh McLennan Agency Private Client Services, we serve clients whose lives are anything but ordinary. That's why we design insurance solutions that are just as unique – with the expertise, personal approach, and in-depth industry knowledge necessary to protect our clients' wealth, safeguard the things and people they love, and keep making extraordinary possible.

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