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SPECIAL FOCUS ON HIGH NET WORTH MARKET PAGE 8

A Matter of Trust: Building Relationships With High Net Worth Clients

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Would you be surprised to learn that one of the best expansion opportunities for independent agents right now lives within personal lines? Adding high net worth (HNW) clients to your agency's book of business brings tremendous potential upside, even in a hard market, but only for agencies that understand the nuances.

While HNW individuals aren't immune to the pressures of the hard market, their predictable risk profile makes them more attractive to an agency's carrier partners. They're also less price-sensitive than other personal lines clients. And because only a few agencies currently serve the HNW market, agents that do it well can gain considerable traction.

The secret ingredient to servicing HNW individuals successfully is building a relationship of trust. Let's explore the unique needs of these clients, how to break into the market and how to structure your agency for maximum benefit.

Engage With Them

One of the hardest parts about launching a HNW personal line is knowing where to find high-value clients. The best

approach is to identify their centers of influence, places where HNW individuals gather professionally or socially. Consider, for example, whether it's worth your time and investment to join a country club or get involved with a professional organization that caters to local entrepreneurs, physicians, dentists or lawyers.

The biggest mistake you can make is to enter a HNW client's circle of influence solely to "get the list." Insuring HNW individuals is all about building relationships, so you need to do far more than just sign up to become a member. Instead, look for ways to add value to these groups. Show genuine interest by attending events, volunteering or joining a committee.

Know What They Want

HNW individuals face complex risk exposures that extend beyond traditional coverages like homeowners and auto policies. They may have multiple properties spread across a wide geographic area, such as a primary residence in Florida, a vacation home in Maine and a ski home in Aspen. They also may need to protect one or multiple high-value collections, such as cars, art or jewelry.

Because HNW clients often hold multiple priceless assets, they require unique solutions. Cyber coverage will be important to individuals in this market, because one unwanted intrusion into their bank accounts or investment portfolios could have devastating consequences. Additionally, HNW individuals who have caretakers or other employees at their properties may need workers compensation policies.

To meet all of a HNW client's needs, savvy agents will take the time to understand their entire risk exposure. That means you'll need to do more than assume their current coverages are 100% accurate. Instead, you'll need to engage each HNW client in a deep conversation so you can identify all the assets that need protection and get their thoughts on which coverages are most important to them.

Then, it's time to develop a personalized solution. Most agencies will need to partner with multiple carriers to provide a single HNW client with the most comprehensive coverage possible. So, it's critical to understand each of your carrier partners' risk appetites — which

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carriers insure larger homes, which ones cover collections — and make sure they align with your clients' needs.

Then, it's time to get creative. You may consider, for example, going beyond traditional valuation methods and recommend higher deductibles or other custom-made strategies. Another wise idea is to leverage your carrier partners' risk management resources to educate HNW clients on the steps they can take to protect their assets and reduce their premiums.

Structure for Success

Matching HNW individuals with the right coverages is just the start of building a trusted relationship. The next step is providing concierge-style service. The more touch points you have with a client, the more likely those clients will stay with you. Accordingly, agency principals should examine ways to reinvent their service strategies. It may be wise, for example, to engage with your carrier partners' service center and use it to manage your smaller clients, giving you and your team more time to spend with your HNW clients. Virtual assistants can also fill the gap for your existing personal lines clients.

Another best practice is to turn your customer service representatives into customer sales representatives. Teach them how to both resolve your HNW clients' most pressing concerns and inquire about additional coverages that might benefit them. Then, incentivize your representatives for sales they make so they're motivated to close more deals.

Communicate and Innovate

Your HNW clients are busy people. They may not have time for long discussions about risk mitigation strategies or policy terms. Technology can help scale this potential roadblock.

Consider creating video proposals of specific coverages that HNW individuals can watch on their own schedules. Incorporate pertinent imagery into your annual renewal discussions. Take drone videos or aerial pictures of covered properties to show your clients factors that may influence their premiums, such as square footage or roof conditions. These innovations will help you communicate thoroughly with your high-value clients and help them understand their risks without consuming voluminous amounts of their time.

Educate and Advise

If your agency is considering adding HNW personal lines, then learn everything you can about the marketplace. A few reliable information sources include your carrier partners or independent agency alliances. SIAA, for example, offers Premier Families, a self-study program that teaches agents how to identify, market to and service high-value clients.

When it comes to protecting their assets, HNW clients need someone who will look out for their best interests today and foresee any risks they may encounter in the future. By structuring your agency for success and maintaining an open dialogue, independent agents can serve as trusted advisors while also growing their agencies. ■



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