

## Personal Risk Management Products for Benefit Plans

by Michael Aronson

Employers looking to offer important and valued voluntary benefits to their employees—including executives and partners—are increasingly considering such options as *Group Personal Umbrella Liability Programs* and *Affinity Personal Insurance Programs* for homeowner, liability, and automobile coverage. They provide discounted pricing and broad coverage not readily available in the marketplace for individuals, and can be added with no premium cost and minimal administrative expense for the employer.

A *Group Personal Umbrella Liability Program* provides, at a significantly reduced premium, a high-value benefit not readily available to an individual buyer. The coverage protects assets from personal liability claims that exceed the coverage on underlying policies. In addition, the *Group Personal Umbrella Liability Program* provides a layer of protection for the employer from the non-owned auto exposure when employees use their personal vehicles for business.

Generally, the maximum individual automobile and personal liability coverage available is \$500,000. Individuals turn to umbrella liability coverage for higher limits to increase their protection. However, underwriting limitations based on prior losses and driving history, along with pricing

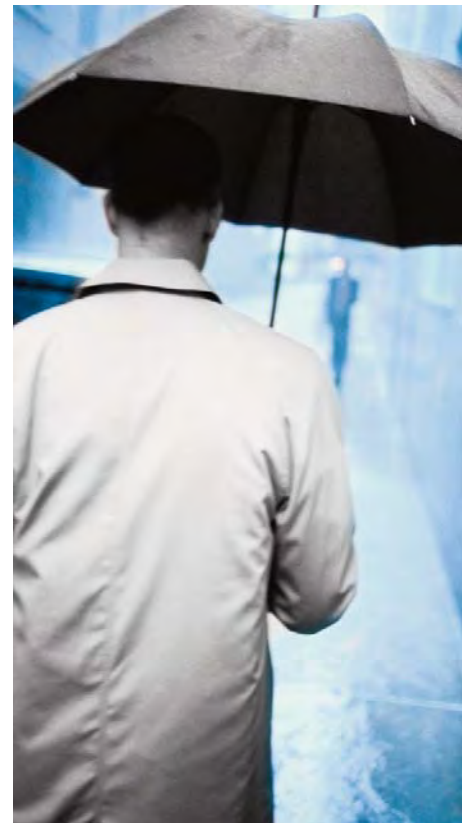
based on exposures (number of cars, homes, and watercraft as well as drivers' ages, among other factors), can prevent individuals from purchasing higher limits. With a *Group Personal Umbrella Liability Program*:

- Coverage limits from \$3 million to \$50 million specific for each participants' objectives are available without a group aggregate limit;
- Simplified underwriting process—individual review of driving a claims history is waived;
- Efficient paperless administration; and
- Premiums are on average 25 percent to 50 percent lower than similar coverage on an individual policy.

Additional benefits not commonly included on individual policies include:

- \$25,000 limit for identity fraud;
- \$10,000 limit for "shadow defense," an allowance to retain counsel of the insured's choice to review and monitor insurer provided defense;
- Worldwide coverage; and
- No exclusion for "rebounding devices—trampolines."

Employer-sponsored *Affinity Personal Insurance Programs* provide discounted residential and automobile coverage to eligible employees. With the employee discount, automobile and residential



rates are often significantly lower than other insurers offering similar coverage.

With an *Affinity Personal Insurance Program*, employers have no responsibility for policy administration, billing, or claims service; these functions are handled by the broker and the insurer. The employer is asked to support the

marketing of the program through kick-off meetings and communications to staff, including information on the benefit website, and newsletter articles.

Products are available to cover all segments of the insurance marketplace. For the affluent segment of the

residential market, there is capacity to provide coverage for residences with high values and any collection of art, jewelry, or furs. *Affinity Personal Insurance Program* can be designed using multiple insurers so that competitive coverage is available for all employees in any location. ■



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