

Meet Malvika and Rohan:



Leak from upstairs bathroom damages Joan Mitchell painting

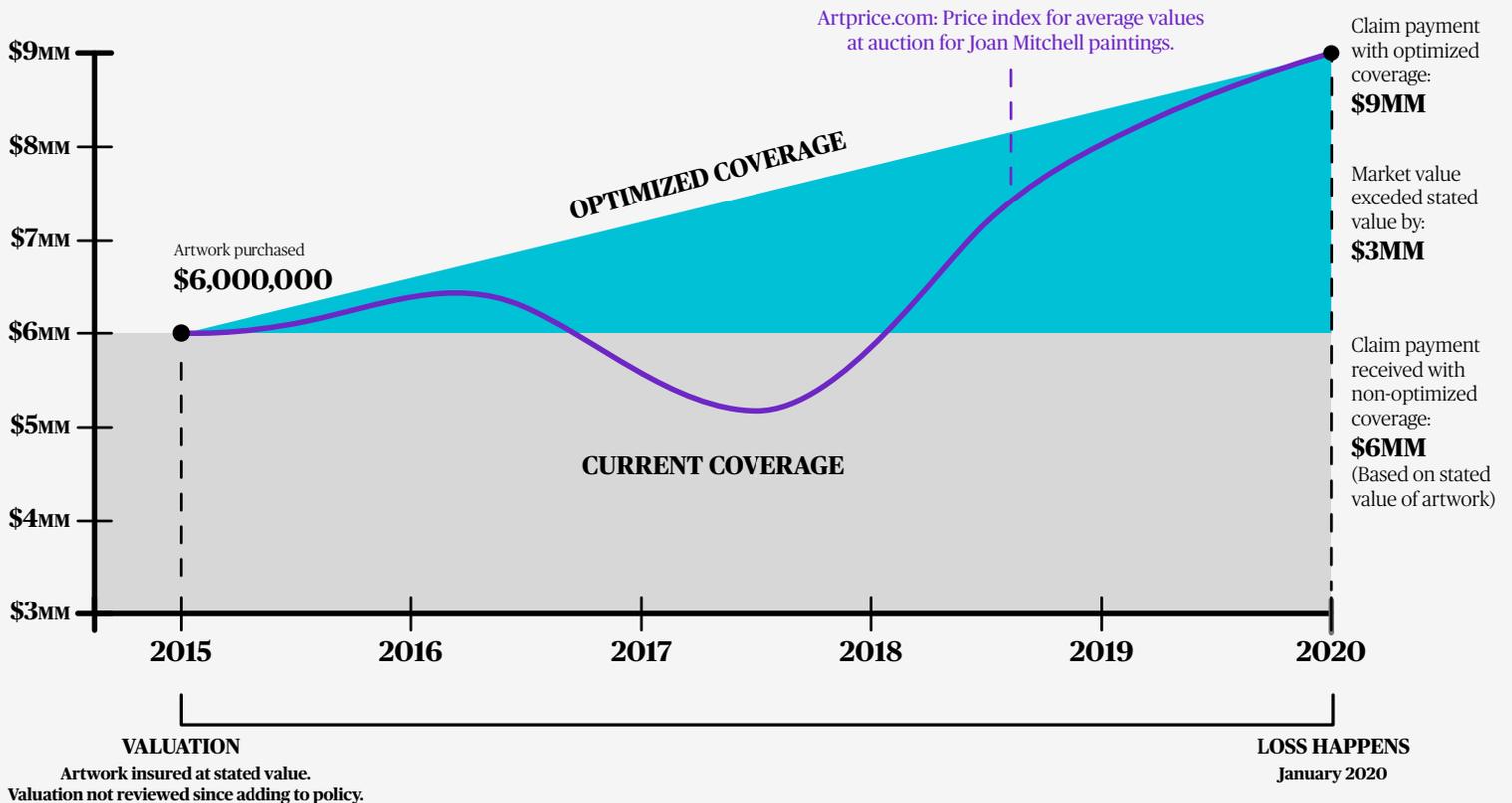
Mid 50s
living in Weston, MA

Collectors
of post-war and contemporary art

What happened? When Malvika and Rohan spent a weekend at their Nantucket home, a plumbing problem caused water to leak in the upstairs bathroom of their Weston, MA, home and irreparably damaged a Joan Mitchell painting. At the time of loss, the market value of the work exceeded the stated value on their insurance schedule by \$3,000,000. **As a result**, since Malvika and Rohan were insured for the stated value only, they were unable to replace the damaged painting with a comparable work.

Current Insurance: \$40MM art collection with each item listed and insured. The insureds opted for this carrier and coverage based on price. Valuation on the art items has not been reviewed since adding on to the policy. Premium: \$28,000

Optimized Insurance: \$55MM art collection that was recently appraised and had a market value enhancement clause providing coverage for up to 150% of each item's value (up to the policy limit). Premium: \$49,500



This example is illustrative only

Current Insurance: \$140,000 in premium over five years. **Optimized Insurance:** \$247,500 over five years. Clients are locking in the value up front and to help ensure that they receive the value of their artwork at the time of a covered loss. With Optimized Insurance, they are also protecting against market increases of up to 50% in case of a covered loss.

Meet George and Susan:



Sued by neighbor after renting land to farmer who over sprays and ruins neighbor's crops

Early 60s
currently have multiple estates in California and Colorado

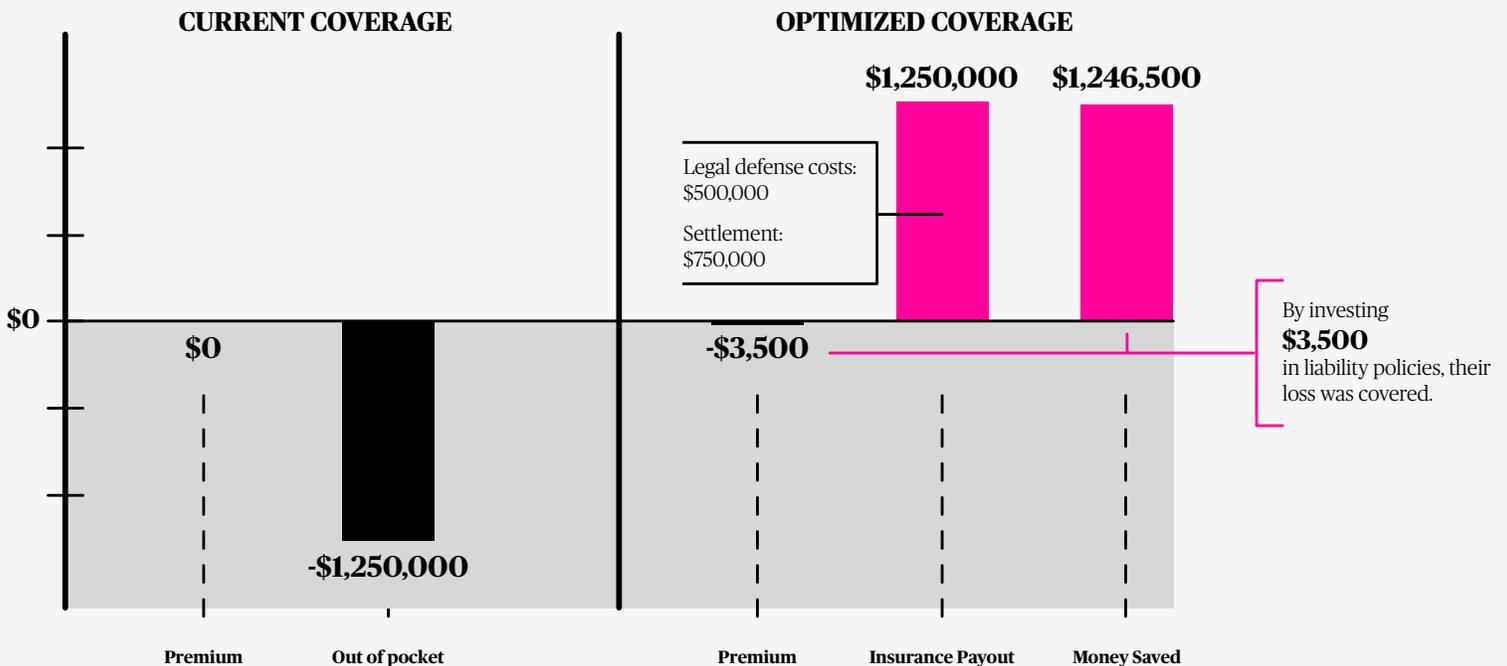
Enjoying retirement
after selling their technology company for \$300MM in 2015

Working with a wealth advisor
to maximize gifting to their alma mater

What happened? George and Susan decided to buy some vacant land next to their estate to prevent anyone else from building there. They called their insurance agent and told him that they had purchased the land purely as an investment and didn't plan to use it. Five years later, they decided to rent the land to a farmer, share the cost of running the farm, and in return receive a portion of the profit. The annual revenue is \$70,000. The farmer mistakenly over sprayed and damaged the adjacent farm's crops. Recognizing deep pockets, the adjacent farmer sues George, Susan, and the farmer who rented their land for \$3,000,000. In connection with this lawsuit, George and Susan settle for \$750,000 and incur \$500,000 in legal defense costs. **As a result,** George and Susan cut back on their annual gifting.

Current Insurance: \$1MM of personal liability coverage and \$20MM of personal excess liability coverage. There is no coverage for the lawsuit, because of a business exclusion which is common on personal lines liability policies. Even though George and Susan were profiting from the farm revenue, they assumed that since they owned the land, it would be covered under their personal insurance policy.

Optimized Insurance: George's wealth advisor routinely reminds his client to have discussions with his independent agent. At the agent's insistence, they have annual reviews and do a thorough review of all his activities. In addition to the \$1MM of personal liability coverage and \$20MM of excess liability coverage, George and Susan also purchased a \$1MM per occurrence and \$2MM annual aggregate farm liability policy with chemical drift/overspray endorsement and a \$5MM excess farm policy.



This example is illustrative only

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Current Insurance: \$1MM personal liability policy, \$20MM personal excess liability policy.
Optimized Insurance: \$1MM farm liability policy, \$5MM excess farm liability policy and \$1MM personal liability policy and \$20MM personal excess liability policy. In both scenarios, the personal liability policy and personal excess liability policy would exclude this type of loss.

Meet Victoria and John:



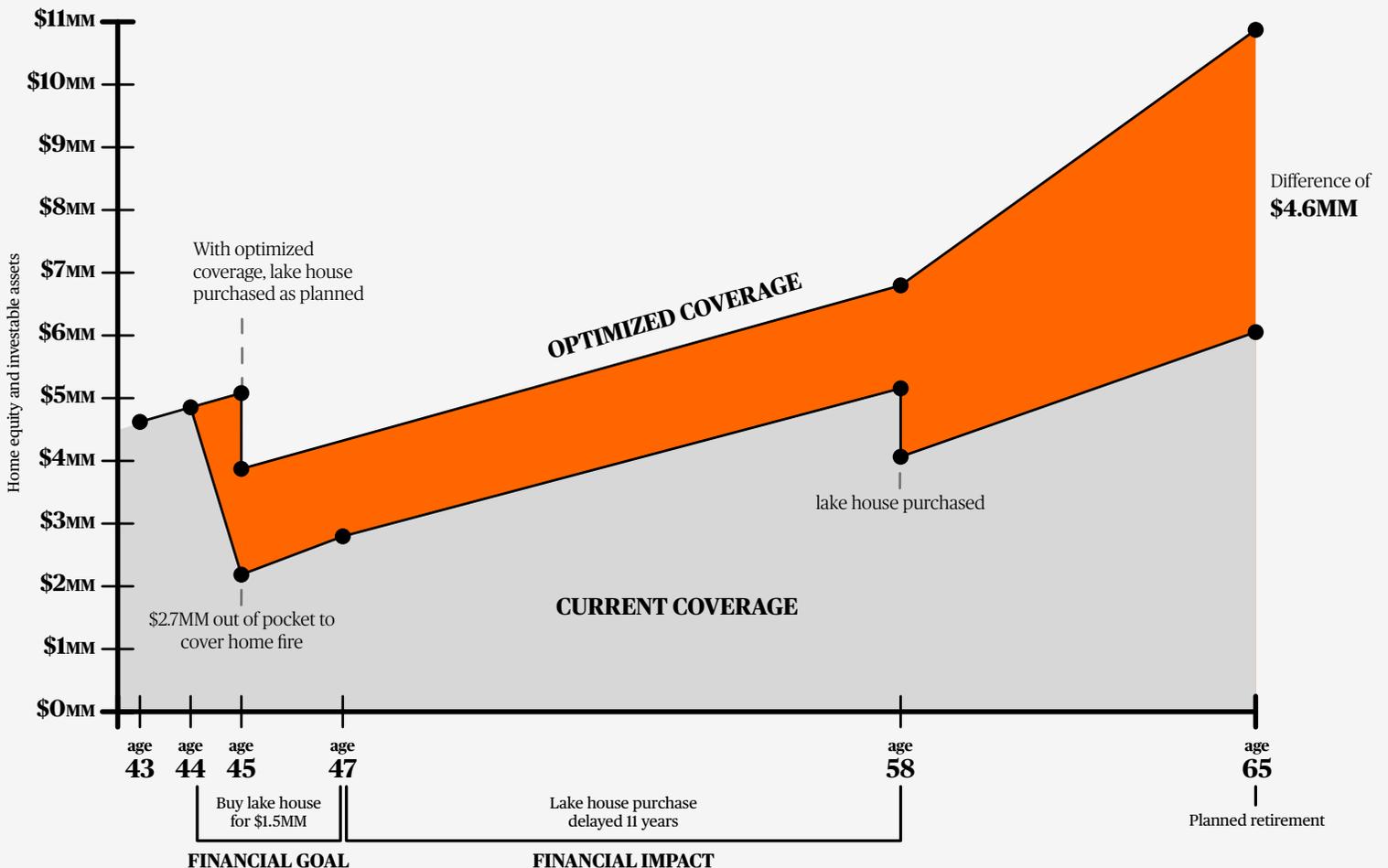
Home fire destroys dream of buying secondary home on Deep Creek Lake

Mid 40s
living in Bethesda, MD

Victoria is an orthopedic surgeon and owns a few clinics around the area

Working with a wealth advisor to put together a plan to buy a \$1.5MM lake house in 3 years while still saving for retirement at 65

What happened? When the family is out to dinner one night, lightning hits the roof of their home, which is immediately engulfed in flames. It takes a while before heat and smoke detectors sound the alarm. When the fire department arrives, they douse the roof with water, which then flows from the attic to the basement. Between the fire and the water, the home is completely destroyed. Unfortunately, Victoria and John didn't have adequate replacement cost coverage and they spent \$2,700,000 to repair their home. **As a result**, their dream for a lake house is delayed by 11 years and they have a retirement gap of \$4,600,000.



This example is illustrative only

Assumptions: 5% equity growth. **Current Insurance:** \$1.8MM on dwelling, \$900K on contents. **Optimized Insurance:** \$3.6MM on dwelling, \$1.8MM on contents based upon a recent inspection of their property.

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The scenarios described here are hypothetical and are intended to show the types of situations that may result in claims. These scenarios are not based on actual claims and should not be compared to an actual claim. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued, and applicable law.

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