



Marsh Private Client Services

Diane Giles, Senior Vice President, Business Development Executive

“How do I appropriately protect my passion investments?”

By Diane Giles

The term “passion investment” has gained currency within the wealth management arena to describe high-end collectibles and other luxury possessions that hold emotional as well as financial value for their owners.

Passion investments run the gamut from fine art and antiques to coins, fine wine, luxury timepieces, collector cars—and to more exotic categories, such as rare baseball cards or Hollywood memorabilia. What constitutes a passion investment for you depends, by definition, on your unique tastes and interests.

Many passion investors, and sometimes even their wealth advisors, make the mistake of underestimating the importance of these treasured possessions within their overall portfolio. As a result, they also underestimate the importance of protecting their collections adequately with appropriate safeguards, including specialized insurance policies. And, since passion investments, unlike traditional financial investments, are vulnerable to physical damage or loss, owners leave themselves open to significant financial harm on top of their understandable emotional distress should an item be damaged or stolen.

In the past, wealth advisors often simply ignored a client’s passion investments when providing guidance on an overall wealth management strategy. They may have viewed their

client’s collection of vintage cars, rare wines or first-edition Victorian novels as little more than a personal hobby—just one of the perks of financial success. But this view misses the fact that the overall value of a client’s “passion portfolio” may represent a significant portion of that individual’s net worth.

This is true today more than ever, according to Ron Fiamma, vice president and global head of private collections for AIG’s Private Client Group, which specializes in insurance solutions for the high net worth. “That’s because we’ve seen dramatic valuation increases in these asset classes over the past ten years—in many cases outperforming an index like the S&P 500 by more than 2 to 1, Fiamma says.

Most high net worth individuals have now eased up on the short-term belt-tightening they put into effect immediately after the crisis. They are confident enough in the economy again to begin adding to their collections more aggressively. **At the same time, with memories still alive of turmoil in the financial markets, alternative asset classes have attracted more capital, steadily driving up values.**

The bottom line is this: Your passion investments represent an asset class that deserves to be treated as part of your overall investment portfolio. And because passion investments—unlike traditional financial investments—are vulnerable to physical damage or

loss, they require appropriate insurance solutions that take into account their special nuances, including rarity and challenges in valuation. A qualified insurance broker with expertise in serving wealthy clients can provide the knowledge needed to design an effective and appropriate personal insurance strategy to protect your treasures.

ADVICE FOR ADVISORS

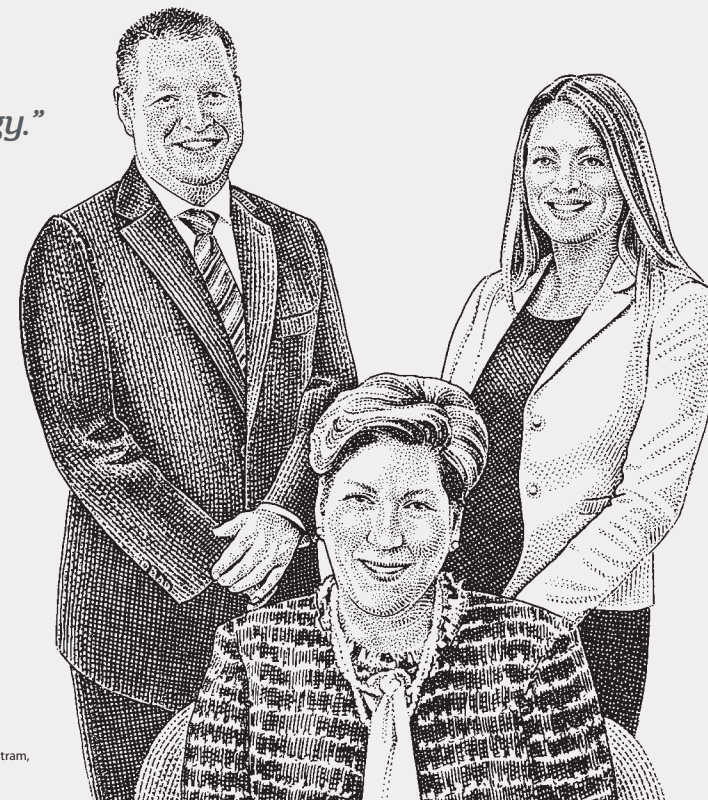
As wealthy individuals put more investable assets into passion investments, more wealth advisors are addressing passion investments as part of their overall service offering. By doing so, they more comprehensively manage client wealth to fulfill their fiduciary duty.

If you are a wealth advisor, don’t let lack of expertise in your client’s portfolio of fine art, heirloom timepieces, collector cars, or any of the other myriad categories of passion investments, stand in the way of adding additional value to your services and to your client’s traditional asset portfolio.

Instead, call on a trusted personal insurance broker with a high net worth focus to consult with you or your client on protecting this asset class. A good personal insurance broker who works regularly with clients owning passion investments will understand the associated risks and have access to appraisers, restorers and other experts in preventing and insuring against loss. ☛

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Standing, left to right: Chris Bertram, Keri Laign; seated, Diane Giles

About Marsh Private Client Services

For nearly 35 years, Marsh Private Client Services (PCS), a unit of Marsh USA Inc., has focused on providing insurance consultation, solutions and services to successful individuals and families. The PCS team helps clients build comprehensive, holistic personal insurance programs specifically tailored to clients’ unique risk profiles, protecting their personal and real assets across the country and globally. The PCS team also ensures that those programs keep pace with its clients’ changing lives over time. Clients of Marsh PCS gain access to the nation’s top specialty insurance carriers, specifically those catering to wealthy individuals and families. As a division of Marsh, a global leader in insurance brokerage and risk management, Marsh PCS has access to resources across the globe. Diane Giles, senior vice president, began her career as a personal insurance broker 35 years ago. Since then she has served in a range of leadership positions, including positions with the high net worth specialty insurers AIG and Chubb. Ms. Giles has served with Marsh Private Client Services since 2007. Both Chris Bertram, assistant vice president and personal risk consultant, and Keri Laign, personal risk consultant, have served with Marsh Private Client Services since 2011.

Client Risk Portfolios Under Management
17,000+, including a significant portion of the Forbes 400

Nationwide Locations
29 local offices

Personal Risk Advisors Nationwide
200+

High Net Worth Personal Insurance Experience
Giles, 35 years; Bertram, 10 years; Laign, 5 years

Professional Services Provided
Personal risk analysis, insurance program design and management, insurance placement services, loss mitigation advice and claims advocacy

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