

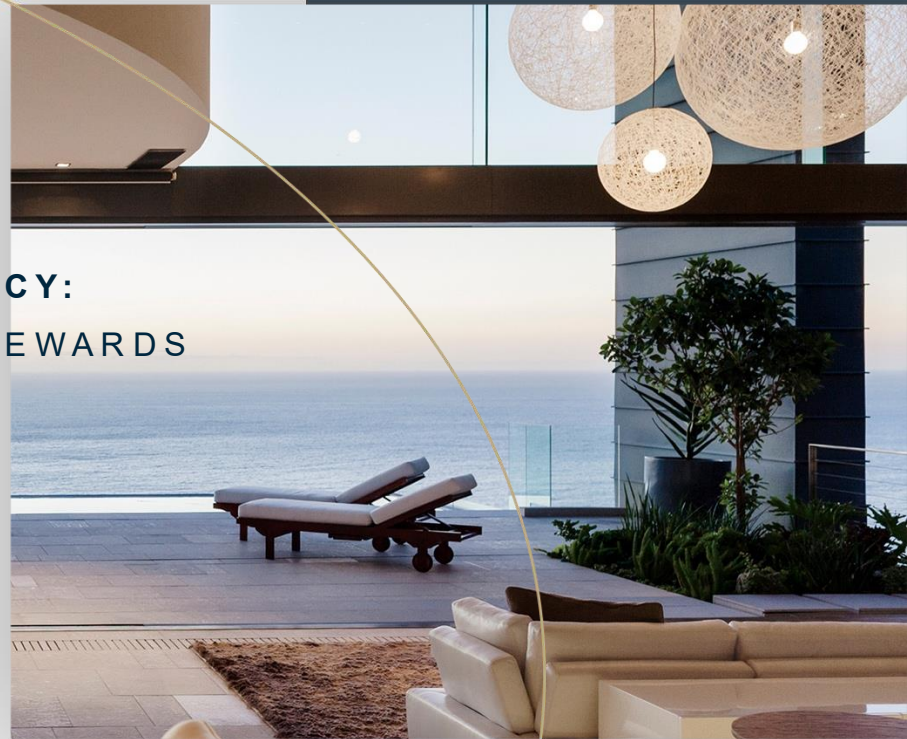
PRESERVING WEALTH, PROTECTING LEGACY: PERSONAL INSURANCE FOR FINANCIAL STEWARDS

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Gallagher

PRIVATE CLIENT



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SURVEY
QUESTIONS



AGENDA

Climate Change:

California, Natural Disasters, and Regulatory Friction

Market Overview:

Carrier Capacity, Underwriting Restrictions, and Re-insurance Pressure

Coverage Innovation:


Selective Carrier Re-entry, Surplus Lines, Broadened E&S Capacity, and Alternative Coverage Structures

Claims Strategy

Excess Liability

Private Client Benefits

Q&A

A helicopter is shown in flight, dropping a large volume of water onto a wildfire. The water falls in a thick, white stream, creating a misty spray. The background shows a hilly landscape with dry vegetation and a house on a cliffside. The sky is clear and blue.

16,249 total number of structures destroyed in
the January 2025 Los Angeles, CA wildfires

Represented nearly **\$40 billion** in insured losses

CALIFORNIA WILDFIRES 2025



A landscape changed forever

- Highlighted market exposure to climate risk
- Demonstrated importance of foresight and disciplined recovery planning
- Emphasized value of proactive and resilient insurance programs



Key Developments in California

- Regulatory reforms stabilizing FAIR Plan and encouraging fire-resistant construction
- Admitted carriers remaining cautious in wildfire-prone areas
- Consumer frustration and inflation fatigue driving litigation and underinsurance issues
- Non-AM Best rated carriers filling gaps but facing solvency concerns

CLIMATE CHANGE AND CATASTROPHES

- More frequent and severe hurricanes, wildfires, and floods
- Secondary perils represent nearly half of insured catastrophe losses
- Second tier risk states experiencing rate increases
- Need for better data and region-specific mitigation planning



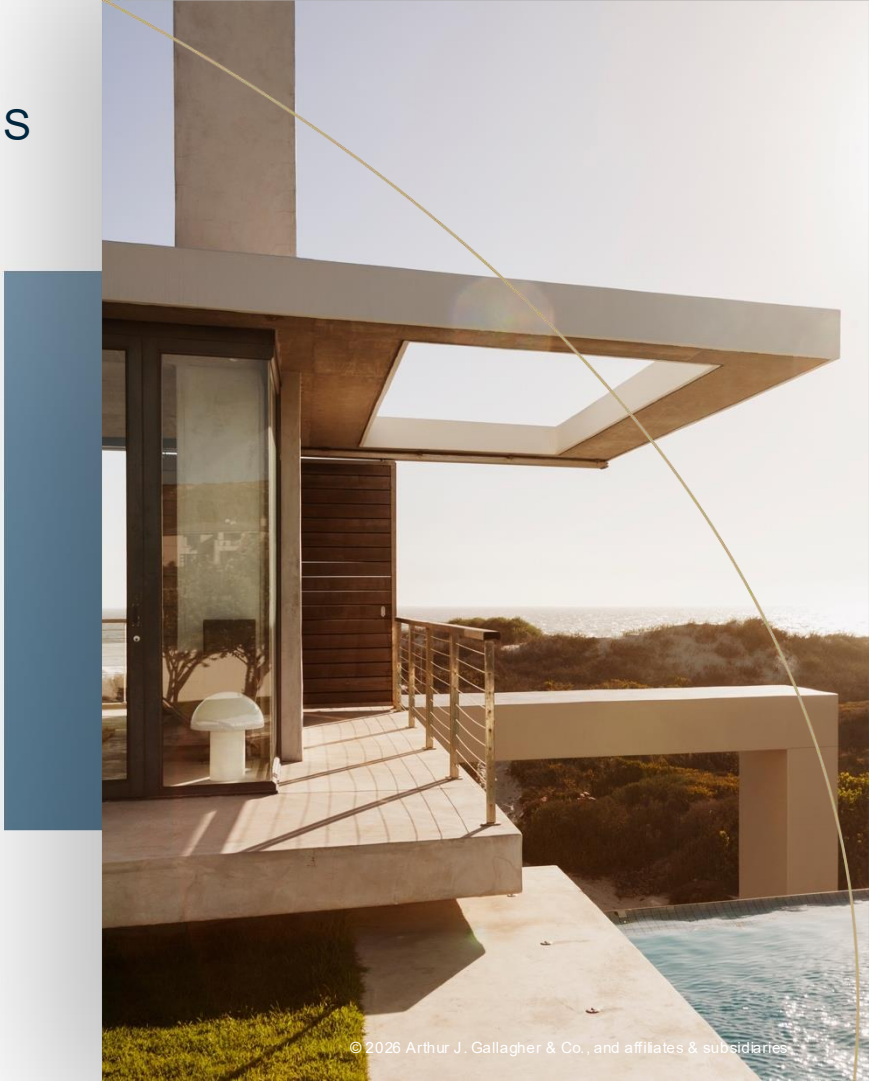
REINSURANCE MARKET PRESSURES

- Re-insurance costs rise from climate driven losses
 - Double, Double, Half
- Alternative solutions like catastrophe bonds support stability
- Commercial property markets indicate softening



EXCESS & SURPLUS MARKET DYNAMICS

- Primary form of coverage in high-risk states
- Allow flexibility in pricing and policy terms
- Challenges include higher premiums and claims variability
- Standard carriers now offering E&S product lines with broader coverage and better claims experience



An aerial photograph of several sailboats on a deep blue sea. The boats are white with wooden decks and masts. The water is clear and blue, with some ripples and shadows from the boats. The boats are arranged in a loose cluster, with one larger boat in the foreground and several smaller ones behind it.

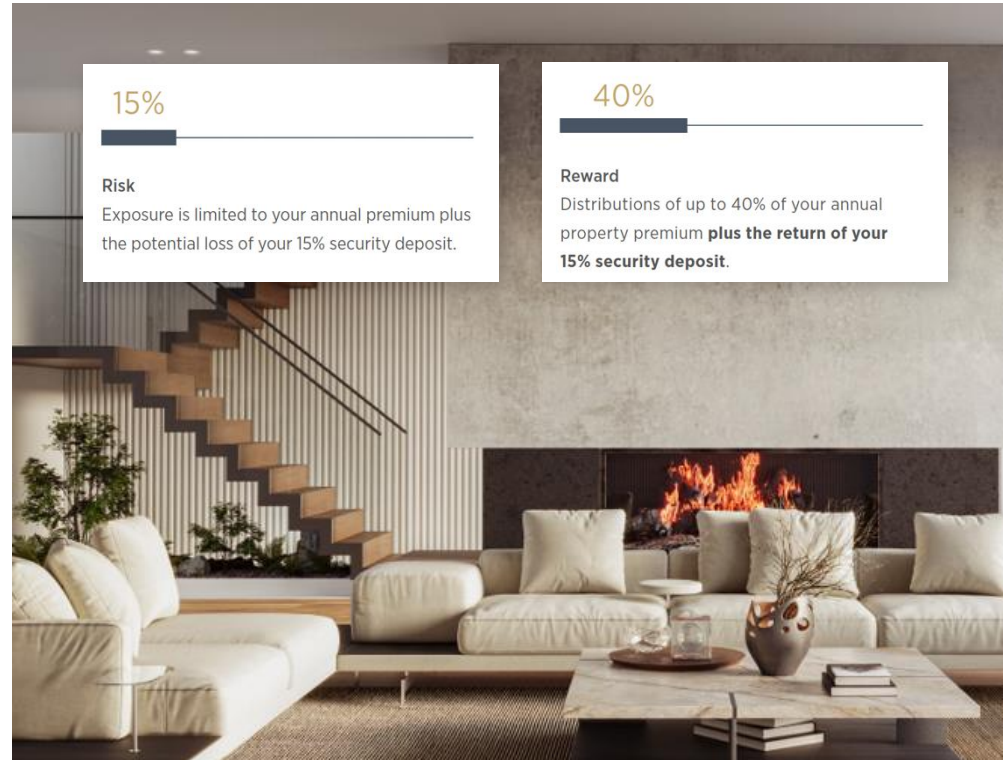
COVERAGE INNOVATIONS

Getting creative with insurance design

- Agreed value policies
- Named peril
- Blanket property
- Captives

PRIVATE CLIENT SIGNATURE CAPTIVE

- An exclusive insurance program for select clients
- Residential, property and valuables coverage
- In conjunction with Chubb & Artex
- Offers premium stabilization and potential financial returns
- Opportunity to share in underwriting profits and investment income

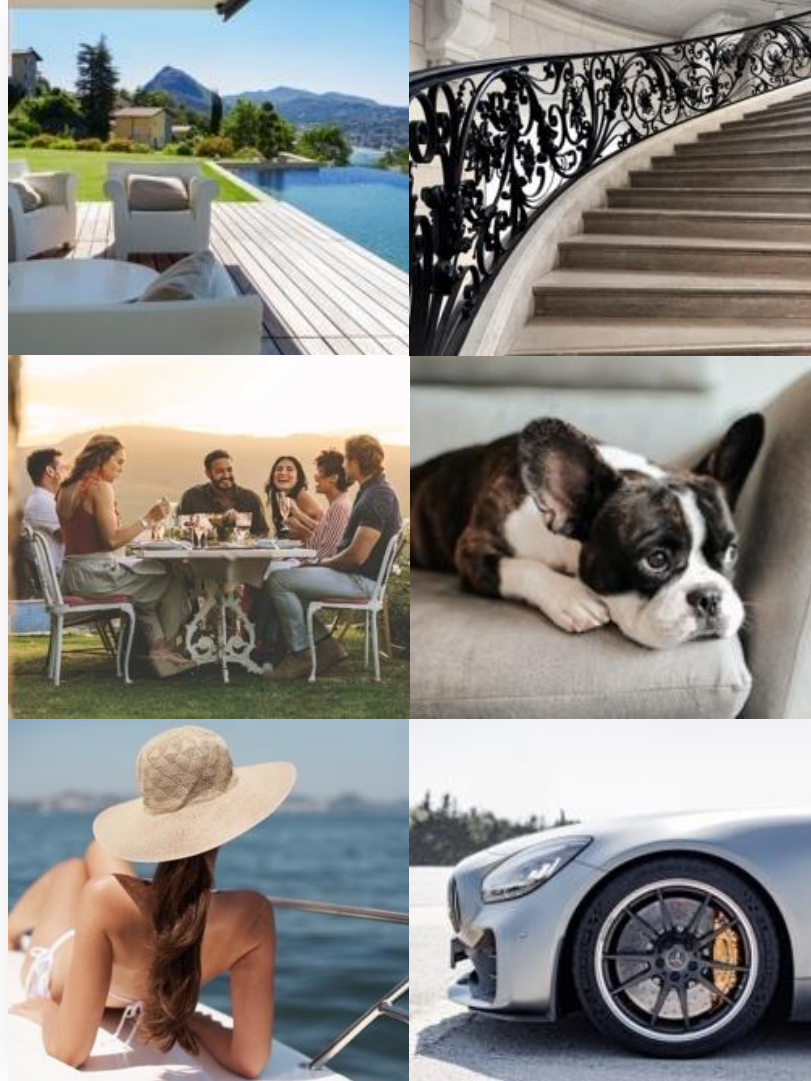


EXCESS LIABILITY

“WEALTH HARD EARNED SHOULD BE WEALTH WELL-PRESERVED”

Social Inflation:

- Increasing Plaintiffs’ Attorney advertising and exacerbating tactics
 - Private equity funded
 - Lack of tort reform
- Increasing non-economic damage awards
- Shifting juror sentiment to correct perceived socio-economic wrongs
- More critical underwriting



EXCESS LIABILITY SETTLEMENTS

\$4.2M

for an 82-year-old woman bitten by her neighbor's dog
Personal Injury
April 19, 2025

An 82-year-old woman was attacked by her neighbor's 130-pound Presa Canario mastiff. A Georgia jury found the dog owner liable after the dog escaped confinement.

\$6M

for CA Valet After PTSD
Personal Injury
Oct 30, 2023

Plaintiff, a valet, was riding in a car with the defendant, who was drunk. After the car crashed, the valet was injured and had PTSD. He sued. Jurors awarded \$6 million.

\$49M

for Driver Struck by Car Running Red Light
Personal Injury
Nov 2, 2023

Plaintiff truck was struck when another car ran a red light. He suffered serious injuries, was in a coma, and is now quadriplegic. He had to close his business due to his injuries. Jurors awarded \$49M

\$159M

for Couple After Head-On Car Collision
Personal Injury
January 11, 2024

Plaintiff was driving when a car going nearly 80 mph in the opposite direction entered her lane of travel. The other driver was found to be intoxicated. Plaintiff is quadriplegic now. Jurors awarded \$159 million.

\$450M

for a woman stuck by a patio chair that blew off a condominium terrace
Wrongful Death | Personal Injury | Negligence
August 17, 2022

A 75-pound chair is blown off the terrace of a condominium managed by the plaintiff during a winter storm, striking a young woman 16 stories below causing catastrophic injuries. The litigation is ongoing.

Source: Chubb website, Tyson Mendes law firm, publicclawlibrary.org

CLAIMS MANAGEMENT STRATEGY

- Claims experience is critical for high-net-worth clients
- Climate events and social inflation increase complexity
- Dedicated claims specialists support proactive resolution
- Smart home monitoring can reduce severity
- Pre-loss documentation can facilitate a faster resolution

PRIVATE CLIENT BENEFITS



**GROUP PERSONAL
EXCESS LIABILITY**



**GROUP PERSONAL
CYBER & FRAUD
LIABILITY**



**CONCIERGE
INSURANCE & RISK
MANAGEMENT
ADVISORY SERVICES**

A HOLISTIC APPROACH TO EMPLOYEE WELL-BEING

GROUP PERSONAL EXCESS LIABILITY

Provides liability coverage beyond standard home, auto, and other liability policies, helping safeguard personal assets against large claims or lawsuits. Through a group program, employees gain access to coverage that is often more affordable, easier to enroll in, and includes higher and broader limits as compared to individual policies

GROUP PERSONAL CYBER & FRAUD LIABILITY

Offers protection against cyber threats and financial fraud, including identity theft, online scams, and data breaches. This coverage helps mitigate the impact of digital risks on employees' personal lives and finances. Employees can also enroll in a complementary identity theft monitoring service through IDX.

PERSONAL INSURANCE & RISK MANAGEMENT ADVISORY SERVICES

Pairs key executives and top earners with a dedicated personal insurance advisor who reviews existing policies and exposures to identify coverage gaps, enhance protection, and optimize carrier fit and pricing - ensuring employees are protected from claims that could cause personal financial distraction.

ISSUES WE CAN HELP WITH

ISSUE

Employers are seeking new, unique ways to enhance their benefits programs

SOLUTION

Group Personal Excess Liability (GPEL) is a high-value benefit that remains largely underutilized

AJG is the only broker offering Group Personal Cyber & Fraud (NetGuard Select) alongside GPEL

AJG is the only broker providing dedicated Personal Risk Advisors for key executives

ISSUE

Employers want to expand offerings without increasing spend

SOLUTION

GPEL and Cyber can be fully or partially employer-subsidized **or fully employee-paid**, offering maximum cost flexibility

Personal Insurance & Risk Management Advisory Services are provided at no cost

Employers can add three new benefits with no budgetary impact

ISSUE

Long-term single carrier monopoly and rate hikes of 20-40% annually have reduced the value of the current GPEL offering

SOLUTION

AJG is partnering with new markets to introduce competitive alternatives.

These options are often ~25%+ below current rates, restoring value for employers and employees

Q&A



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Full 2026 State of the Market Report

THANK YOU!
