

# VAULT

## RISK & REWARD: THE 2024 INSURANCE INSIDER

### THE CUSTOMER EXPERIENCE

Elevating insurance experiences and deep diving into issues homeowners face in a hard market.

### CUSTOM RISK SOLUTIONS

Admitted market challenges and the record growth of excess and surplus insurance.

### PROTECTING WHAT MATTERS MOST

Protecting passions, reducing risks, and implementing mitigation for safety and security.

# A WORD FROM THE CEO

During the last few years, we have seen quite a bit of change in our real estate markets and the economy through inflation. It was inevitable that there would be a cascading effect on homeowners and the related products for insurance.

There is also a need for some real change in the insurance marketplace and how the coverages available match reasonable rates and premiums.

We have published this deck to bring light to some of the causes and effects driving homeowners insurance today and to help you navigate toward short-term and long-term solutions to protect your valuable assets.

My hope is that you find this guide informative and useful to protect your prized possessions and ultimately control the costs to insure them well into the future for yourself, your family, and generations to come.

Sincerely,

**SCOTT CARMILANI**  
VAULT CEO & EXECUTIVE CHAIRMAN





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# PART ONE

## The Customer Experience





A photograph of a modern outdoor patio area. In the foreground, there are several lounge chairs with light blue cushions and a low coffee table with some glasses. In the background, there is a large glass wall that looks like a living room with a sofa and armchairs. The patio is covered by a dark metal pergola structure. The sky is blue with some clouds.

# ELEVATING EXPERIENCES

According to McKinsey & Company, property and casualty (P&C) insurers prioritizing customer experience (CX) have outperformed competitors by 65% in shareholder revenue. Poor CX is a massive barrier to entry for customers and agents alike, and affluent individuals expect the personalized experience technology allows. [1] A significant trend in 2024 will see insurers utilizing technology and the customer journey to boost their digital experience.

30%

of customers are dissatisfied with the digital experience of their insurer. [1]

50%

of customers feel insurers do not clearly explain their policies digitally. [2]

85%

of insurers are working on new initiatives to improve end-to-end CX. [3]



# ENHANCING CUSTOMER EXPERIENCE

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While the trend toward enhanced digital capabilities will continue to grow, the human touch between insurers and agents to their customers is still essential.

Insurers have an exceptionally low number of touchpoints with customers. Typically, customers only interact with their insurer **when they seek a new policy, when it's time for renewal, or when a claim occurs.**

With such few opportunities to provide value, and nearly 70% of customers shopping around for lower premiums in 2024 [1], an exceptional experience is always necessary.

Claims experience is by far the #1 determining factor for customers because that is where the insurer's value comes through. 87% of policyholders say their claims experience impacts their decision to stay or leave their insurer. [2]

So how can insurers enhance their customer experience at these key touchpoints? The top differentiating factors are:

1

HARNESSING DATA FOR TIMELY PROCESSING

OFFERING A SEAMLESS TECHNOLOGY EXPERIENCE

2

3

ENHANCING OPERATIONS FOR SPEED & EFFICIENCY

CLEAR MESSAGE THROUGHOUT THE PROCESS

4

Vault is taking action to prioritize the customer experience at these key touchpoints. In 2023, we launched our new underwriting technology, Metal, to improve communication, data, and speed. Implementing Metal has allowed us to communicate with agents directly and make modifications and rate changes a seamless and fast process.

**“Customer experience is paramount, and each interaction is a vital opportunity to cultivate loyalty.**

At Vault, we're dedicated to leveraging data to provide personalized insights, ensuring every encounter reflects our deep understanding of who you are and your history with us. With an unwavering focus on seamless, connected digital experiences, we're committed to enriching relationships with every interaction.”

*Chris Flanagan*  
Vault Chief Information Officer



# FOSTERING EMPATHY FOR IMPACT

Nearly one-third of all customers expressed dissatisfaction with their claims experience, according to Accenture. They stated that speed of processing and settlement issues were the reasons for a poor experience. [1]

Fostering empathy towards customers in hard situations helps customers feel understood and show genuine commitment to their well-being. [2] Integrating empathy within increased technological and operational enhancements leads to an exceptional experience and drives loyalty.

How can empathy be interwoven into daily business? By utilizing empathetic automated messages, leveraging data to understand user behavior, and having a deep understanding of the customer's needs.

Increasing internal technology integrations and data can help underwriters provide more accurate and customized solutions for high-net-worth customers. It also allows customer service teams to promptly see the big picture of needs when receiving calls.

Building understanding through human connection, data, and technology provides the elevated experience affluent customers expect. As customers face heightened risks and higher premiums, empathy is a key factor driving value and loyalty.

**“Building an exceptional customer experience doesn't happen by accident, it happens by design.”**

We are committed to strong relationships with our customers through helpful live support and knowledgeable Concierge specialists who can answer your questions in real-time.”

*Jessica Brooks*  
Vault Chief Operating Officer



# WHY HAVE PREMIUMS DRASTICALLY INCREASED?

## Premiums have gone up as much as 40% in the past year. Here's why:

Wildfires are raging in the west, while hurricanes and flooding are hitting the south. Reconstruction costs, inflation, and rising home prices are making it difficult for insurers to provide coverage in high-risk areas, causing them to either withdraw or significantly increase premiums.

## HOME VALUE & RECONSTRUCTION

One of the most significant factors impacting premium pricing is home value and reconstruction. Between 2020 and 2021, home values saw a record-high price jump of 18.6%. [1] For some areas, it was even higher. In Los Angeles and San Diego, home prices increased 38% and 48% respectively since January 2020. [2]

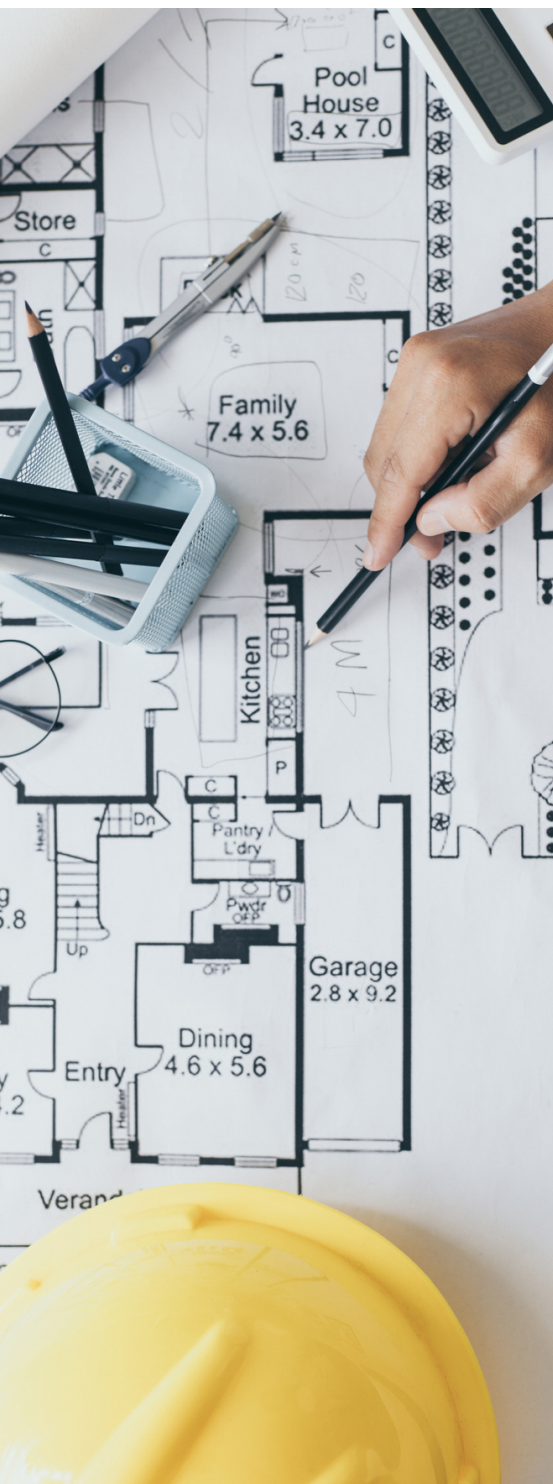
**Higher home values mean higher reconstruction costs.** If your home value increased 25%, your insurance must also adjust 25% to cover costs to rebuild your home in the event of a claim.

For high-net-worth customers, policies often include additional features that are costing insurers and insureds such as waived deductibles, up to 200% replacement cost value, and extended temporary living expenses. These policy components have not previously been accounted for in the pricing of policies. [3]





# IMPACTS TO PRICING



## 25-28%

increase in construction materials in 2024, compared to pre-2020 projections. [1]

## 2 OUT OF 3

affluent clients own a second home [2], reducing the need for costly temporary living expenses, with like-quality accommodations costing insurers \$50k - \$100k a month.

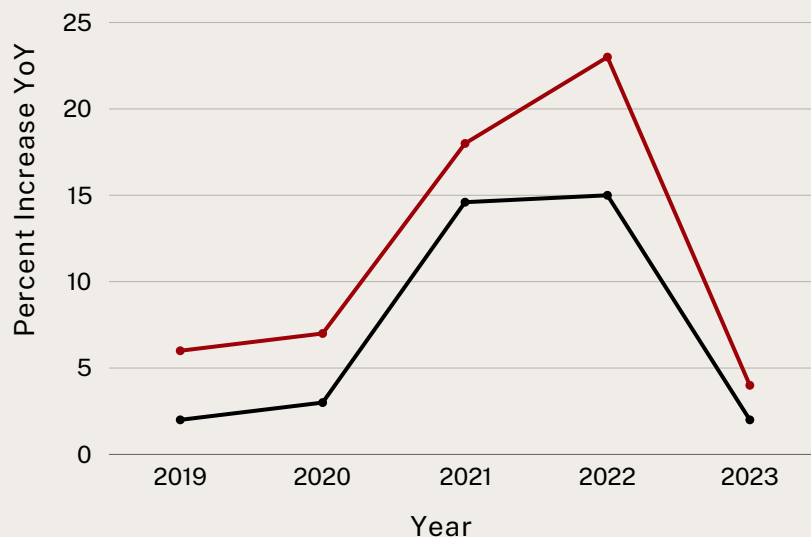
## 501,000

job openings for skilled construction labor needed to meet industry demand. [3] The shortage of labor and lingering supply chain issues are causing claims to last months to a year.

## 28 \$1 BILLION+ WEATHER EVENTS

including winter storms, wildfires, drought and heat waves, flooding, tornadoes, and tropical storms. **17 of these events were from severe thunderstorms and hail** [4], hitting record costs of \$60 billion. [5]

■ Price Growth of Construction Goods, U.S. Bureau of Labor Statistics  
■ Redfin Home Price Index



## RECONSTRUCTION AND HOME VALUES

Since 2020, home values and construction costs have soared. Higher home values lead to more costly expenses to rebuild the home in the event of a claim. While prices have leveled out, they still remain elevated since pre-pandemic.

## REGIONAL CHALLENGES

One key insurance trend this year: addressing industry challenges through a regional approach. While the industry has continually assessed policies region-by-region, digging deeper into balancing risks through states will be a primary focus to improve loss ratios.

Each region in the United States faces unique risks and issues, with some states posing more concentrated risks and regulatory issues than others. However three key factors have emerged across all regions: **impact of reinsurance costs, elevated home values, and issues with rate approvals.**

California has seen a growing insurance emergency for several years now. Some insurers have been waiting almost six years for rate increase approvals due to slow regulation. [1]

California's Insurance Commissioner has proposed allowing insurers to include the cost of reinsurance and weather impacts, which are two crucial pricing factors that are currently not allowed to be accounted for under California law.

In exchange, insurers would be required to hold more wildfire risks. The hope is that this change will help stabilize the California market in 2025, as California's FAIR Plan has seen a 20% increase in policies due to 7 out of 10 top insurers leaving the state. [2]

California has boasted some of the highest property values in the country: the average single family home in California is \$859,800 in 2023, more than double the national average, according to Bankrate. [3] Yet it has long held some of the lowest insurance premiums. [4] This has caused an issue of underinsurance, where home values and construction costs have gone up but reconstruction coverage and premium prices have not.

Meanwhile, Colorado has seen premiums rise by 52% to account for escalating storm, hail, and wildfire damage. [5] Natural disasters have risen by 275% in the past 20 years in the state, causing insurers to lose 13% on average per year. [6]

Like California, home values went up more than 40% between 2021 and 2023, requiring higher reconstruction coverage to cover. [6]



# REGIONAL CHALLENGES

In the south central region, Texas has grown into a problematic state to insure. Texas has been plagued with more billion-dollar disasters than ever before [1], accounting for 16 of the 28 \$1B+ weather events in 2023.

Despite growing risks and home values, for years regulators only approved 2-5% annual rate increases. In 2023 however, the state approved a 20-30% rate increase, one of the highest rate increases in the country (along with Arizona, North Carolina, Oregon, Illinois, and Utah). [2]

In the northeast, custom E&S lines insurance makes up only a small percentage of the market, yet in New Jersey, as many as 90% of homes in high-risk counties cannot find coverage. [3]

Like California, New York has dragged out their rate approval process to account for higher reconstruction costs and reinsurance.

In the south, Florida has long faced an impending insurance crisis. Last year, legislators passed comprehensive tort reform to tackle the insurance litigation issue the state faced with potential positive impacts to reduce the amount and extent of litigation. [4]

A calm 2023 hurricane season resulted in fewer claims. This, paired with legislative reforms, has insurance in Florida improving. However, insurers must remain vigilant as 2024 is predicted to have a severe hurricane season. [5]

Hurricanes in Florida and wildfires in Colorado affect other less CAT-prone states, such as Illinois, because nationwide carriers pay reinsurance prices based on their collective held risks in their book of business. [6]

# 50%

Reinsurance rates soared between 2022 and 2023. While expected to level out in 2025, the rates are still up by as much as 50% this year. [6]

# 47%

North Carolina denied a 47% rate increase to adjust for spiked home values and weather risks. [7]

# 42%

Home values saw the highest-ever boost in value, skyrocketing for a total increase of 42% between 2020 and 2023. [8]

# Customization

In wildfire-prone Montana, an HOA representative reached out to Vault to help educate the community on wildfire risks and how they could improve their wildfire risk rating. As many insurers are fleeing the region and refusing to write these risks, they sought out Vault for connection and customization.

We take pride in our experts in the field who go above and beyond to make these connections and provide exceptional service to our customers.

One of our experts spoke with the affluent community and HOA to address their homeowners about risk mitigation. They weighed in on risks and helped validate the extensive mitigation the HOA already had in place. They shared their expertise and explained why and how they could improve their insurability.

After in-depth conversations and interactions with the community, Vault felt comfortable with the proactive measures the HOA and homeowners had implemented. Other insurers had refused to insure the homes without understanding the measures in place.

Because Vault dug deeper and deeply understood wildfire risks, we were able to provide customized solutions and coverages with open dialogue.





# PART TWO

## Custom Risk Solutions



# HOME INSURANCE CHALLENGES

The surges in severe weather incidents, economic instability, fluctuating interest rates, and cyber threats have elevated the expenses associated with personal insurance. These factors have led carriers to limit or stop writing new policies in high-risk areas. [4]

Despite efforts by home insurance providers to offset escalating losses through rate changes and adjustments for inflation, AM Best highlights persistent difficulties in achieving adequate rates. The short-term nature of 12-month policies in the home insurance sector complicates insurers' ability to effectively respond to these adverse loss trends. [1]

High-net-worth clients have more on the line when risks take place, both personally and property. They must prioritize measures to protect their homes, assets, personal information, reputation, and financial security. According to PropertyCasualty360, risk management policies for personal lines are evolving to encompass considerations beyond the protection of physical assets. [4]

Many affluent individuals own second homes in states such as California and Florida, which often experience severe events. Because they are finding it harder to get enough coverage, many of these homeowners are taking on more responsibility for self-insuring their assets. [4]

This involves putting in place measures to protect properties from different dangers such as wildfires, severe storms, and earthquakes.

Examples include strengthening roofs using hurricane straps and clearing areas of brush susceptible to wildfires. Investing in preventive measures, like installing fire-resistant landscaping or adding water sensors, can also diminish risks and make it easier to get insurance. [4]

However, finding coverage is not the only struggle for these homes.

According to Forbes, homes are underinsured by 22% on average, some with a gap of as much as 60% or more. This leaves homeowners with high replacement costs despite having insurance. [5]

With persistent high inflation, insurance costs are expected to rise further, and market valuations and actual replacement values are prone to fluctuations. The challenging insurance market exposes high-net-worth individuals to heightened vulnerabilities, irrespective of their wealth.

To tackle the issue of underinsurance and rising reconstruction costs, customers should connect with their agents to conduct consistent, comprehensive reviews of all insurance policies to prevent any coverage gaps. [5]



# STRUGGLES WITH REGULATION

Admitted rates are determined by the state, and insurers must submit their rates and coverages to the state for approval. The state then backs claims from that insurer, to a limit, if the insurer were to fail.

Admitted market rates are slow to change. They are based on trends over decades, and the rapid economic changes since 2020 outpaced regulation. Personal lines insurance faces difficulties getting adequate rates for risks under the admitted market, causing many insurers to leave certain states or stop writing admitted business until the situation improves.

While regulation varies by state, according to the Insurance Information Institute, rates are primarily guided by three principles: 1) rates are adequate to maintain the insurer's viability, 2) not excessive for the sake of exorbitant profits, and 3) not unfairly discriminatory. [1]

The state regulators have not allowed rates to increase in line with inflation, supply and labor costs, and reinsurance in order to protect consumers.

However, the disconnect has caused insurers to fail to maintain adequate rates for viability.

Some states, such as Florida and California, have been on the brink of crisis and are attempting to address the issue with legislation. But the insurance crisis in the state remains.

Some states have sought to make it harder for insurers to achieve adequate rates by introducing bills that would prevent raising rates after a claim or requiring high-risk coverage, such as wildfire risks.

While these bills intend to protect the customer from increased rates, they don't adjust or allow for the impacts happening in the market from inflation, elevated home values, reinsurance, and weather risks.

The unintended effect has left many customers unable to find coverage at all as top insurers have fled complex markets.



## “Vault is driving industry change with its customized E&S solutions.”

As the insurance market becomes more challenging and finding the right coverage more difficult, we can tailor the policy to give customers exactly what they need. E&S is quickly becoming the only viable solution for the high-net-worth market in many areas of the country.”

*Paul Bassaline*  
Vault President



With the increase in luxury homes in catastrophe-prone areas, insuring affluent individuals has become increasingly complex. And the luxury market segment is only growing as home values soar 45% since 2019 [1] and net worth has grown 13% among top 20% of high-net-worth individuals. [2] Additionally, the US is home to the most ultra high-net-worth individuals (those with a net worth of \$30M or greater) -- about 170,000 people. [3]

Some areas have concentrated growth of ultra luxury homes, with many concentrated in coastal cities. Los Angeles, CA saw the highest increases in ultra-luxury homes in 2021.

These homes often have higher risks, more difficulties finding adequate coverage, and need more customization to their policies.



**HOMES WORTH MORE  
THAN \$1M+ IN 13  
COASTAL CITIES [4]**

**1 in 5**



**# OF US HOMES \$2M+ [5]**

**600,000**



**\$ SPENT ON ULTRA  
LUXURY HOMES \$10M+ [6]**

**\$40 Billion**



# E&S SEES RECORD GROWTH

## Rising Presence

**Surplus lines property premiums grew 31.8%** to \$5.84 billion, compared to 25.9% increase in 2022. [1] Premiums rose on average 14.6%, hitting \$73B across 15 states recorded by the Surplus Lines Office. [2]

## E&S Policies Gain Momentum

The U.S. surplus lines market has seen **double-digit growth every year** for the past five years. [3]

## Unlocking Opportunities

E&S policies allow insurers to provide custom solutions, often turning a **hard "no" in the admitted market** into a **"yes" in the custom market.**

## Poised to Scale

Many E&S carriers report they are **ready to scale their surplus lines to broader audiences** and are staffed with dedicated underwriters to do so. [4]





**“In the high-net-worth space, there needs to be customization based on the customer’s needs.**

The admitted market fills a role for the standard home, but E&S is the only space to be able to customize policies to meet the unique needs for affluent customers. As those needs are becoming more complex, and the admitted market unable to keep up with rapid changes, we aim to fill this role with custom E&S solutions.”

*Stephen Russell  
Vault EVP, Head of Insurance*

## E&S MISCONCEPTIONS

One of the greatest myths about E&S is that it is unregulated. While E&S lines do not have to file their rates with the insured's state, they are **still regulated by the company's domiciled state and the Surplus Lines Stamping Office**. A specialty agent, licensed outside the insured's state, writes the policy to meet the requirements to underwrite.

E&S was once thought to be a last-resort option. Now, it's the way forward through this tough market for the growing number of complex risks.



E&S allows for adaptability in a rigid, difficult market. It can change with the environment and ensure customers are covered, cared for, and content with their insurance policy.

E&S is often thought to have worse coverage options since the state does not back it. In many cases, the state offers little to no coverage for affluent individuals under admitted policies, whereas **E&S coverage can be tailored to the risk**. So customers get exactly the coverage they need, for the price point they want.



# STATE GUARANTY FUND

**The main benefit of the admitted market, the state-backed guaranty fund, may not benefit high-net-worth customers.**

Admitted policies are regulated and backed by the state. This means if your insurer were to fail and you have a claim, the state-run insurance guaranty fund steps in to cover your claim.

But regulation is slow to change. Houses are priced far higher than years ago, and their reconstruction costs have increased, making it difficult to get the coverage you need within the state's admitted market.

Most states have payout caps or net worth limitations, and many high-net-worth customers do not qualify to receive any coverage from their state's guaranty fund or association.

## South Carolina Property & Casualty Insurance Guaranty Association

- **Caps claim payouts at \$300k**
- **A net worth limitation of \$10M**
- If a customer's home valued at \$2M is destroyed and their admitted insurer goes bankrupt, they will only receive \$300k.
- If they have a net worth greater than \$10M, they will not receive any payments from the guaranty association.

## Colorado Insurance Guaranty Association

- **Caps claim payouts at \$300k**
- **A net worth limitation of \$10M**
- If a customer's home valued at \$2M is destroyed and their admitted insurer goes bankrupt, they will only receive \$300k.
- If they have a net worth greater than \$10M, they will not receive any payments from the guaranty association.

## New York Property & Casualty Insurance Security Fund

- **Caps claim payouts at \$1M** (further limit of \$5M for all claims arising out of any one policy, for policies issued to residents insuring property or risks located outside the state.)
- **Net worth limitation: none**
- If a customer's home valued at \$2M is destroyed and their admitted insurer goes bankrupt, they will only receive \$1M.

## Texas Property & Casualty Insurance Guaranty Association

- **Caps claim payouts at \$300k**
- **A net worth limitation of \$50M**
- If a customer's home valued at \$2M is destroyed and their admitted insurer goes bankrupt, they will only receive \$300k.
- If they have a net worth greater than \$50M, they will not receive any payments from the guaranty association.



# GROWTH BY REGION

**28%**      **\$746M**

E&S premium growth in Florida went up nearly 28% in 2023 and is expected to continue to grow.

The state has the largest market share of E&S personal property at nearly 9% of the total market. [1]

California E&S premiums grew to \$746M, up 20% from 2022. Personal property transactions increased 26% despite making up only 4.5% of the total market. [1]

**\$5.8B**      **46%**

Texas E&S property lines brought in almost \$5.8B in premiums in 2023, growing 46% since 2022. [2]

Coastal-exposed North Carolina took the top spot for record E&S premium growth, growing over 46% since 2022. [2]

\*includes both property & casualty and commercial E&S business

# THE VAULT APPROACH

With major property insurers pulling back from California because of wildfire risk and admitted markets becoming scarcer in coastal states like Florida and Louisiana, there is an unprecedented demand for capacity solutions in catastrophe-exposed regions. [1]

**Vault Custom**, an excess and surplus lines (E&S) option, provides the most flexibility and customization to luxury homes that may struggle to find adequate coverage with standard insurance.

A standard insurance policy for the mass market often does not meet the needs of unique, high-value risks. Vault saw those gaps in coverage for high-net-worth individuals and built our foundation around it.

**Vault offers a blank canvas with competitive pricing.**

Once reserved for specialized risks, surplus lines are now becoming accessible to a broader range of property owners. The tightening market conditions, influenced by heightened catastrophe occurrences, escalating claims expenses, carrier failures, and rising reinsurance costs, are causing even desirable risks to exceed the limits of admitted markets. [1]

As admitted capacity diminishes, the surplus lines market is increasingly accommodating a diverse range of high-quality business, including high-value properties, properties in ineligible locations, or those with slightly older roofs. [1]





# EASE OF E&S



E&S has often been thought of as difficult and a last resort option. **Vault Custom**, an excess and surplus lines (E&S) policy, is designed to provide ease of quoting to our agent partners and flexible coverage tailored to the customer's needs.

Where others will issue a complete “no” to certain risks, our specialty underwriters are trained to look for ways to provide a custom solution.

Because we specialize in E&S underwriting, we handle some of the difficult aspects of E&S policies for our partners so they can successfully and easily grow their business with us.

MAIN FEATURE COMPARISON	VAULT	OTHER E&S INSURERS
Same Turnaround Time; No Delays for E&S	✓	✗
Handles All Taxes and Filing Fees	✓	✗
No Requirement to Resubmit Submission to Vault Custom When Admitted Policy is Declined	✓	✗
Underwriters Specializing in Both E&S and Admitted Lines	✓	✗
Innovative Technology for Seamless Quoting and Binding	✓	✗
Agency Operates Under Insurer's Holding Company License	✓	✗
Complete Flexibility in Program Structure Designed Around Customer Needs	✓	✗
Same In-House Claims Adjuster and Claims Team	✓	✗

# Vineyard Vigilance

The owner of an ultra-luxury home and winery in a wildfire-exposed state struggled to find insurance coverage. They reached out to Vault to see if we could insure their property.

Our Field Team, specializing in assessing wildfire risks and mitigation, met with the homeowner to review their property. Upon inspection, the home had significant wildfire liabilities. Instead of immediately turning the customer down, our expert recommended key mitigation features to improve their insurability and protect their home.

Their recommendations included: retrofitting the home with ember-resistant venting; removing fire hazards such as mulch and other brush from around the property; installing a fire-resistant roof; caulking and painting any cracks or holes with fire-resistant materials; adding an emergency access for the gates to their home; and adding gutter guards to prevent ember intrusion.

The customer was more than willing to install these mitigation measures to ensure their home was safe and was thrilled with the expertise, care, and attention to detail they received from Vault. As a result, once these measures were implemented, Vault was able to write a custom policy.

Where others would not take a second look, Vault went the extra mile to provide a customized solution.

# PART THREE

## Protecting What Matters Most







# CREATING RESILIENT HOMES

Creating a resilient home is key to safeguarding both property and lives in the face of potential threats, including natural disasters like wildfires, hurricanes, floods, and earthquakes. Resilient homes are designed and built to withstand these challenges, minimizing damage and ensuring the safety of residents. By integrating resilience into the design, construction, and maintenance of homes, individuals can mitigate risks, enhance sustainability, and foster stronger communities for generations to come. According to the National Institute of Building Sciences, for every dollar you invest in mitigation, there's a \$6 benefit. [1]

**\$4.3B**

average cost per year  
from floods, 1980-2023  
[2]

**\$9.4B**

average cost per year  
from severe storm, 1980-  
2023 [2]

**\$3.1B**

average cost per year  
from wildfires, 1980-2023  
[2]

# COMMON CLAIMS

Hardening a home from risks can help prevent devastating losses to family homes, cherished items, and the loss of priceless memories.

Vault utilizes data to see where common risks occur, what causes the most damage and impact, and how we can provide exceptional service and education.

Looking at our top risks by severity, for example, we can see that fire damage causes the greatest severity, followed by damage from freezing, hurricanes, tornadoes, and other named storms.

By assessing the data, we can paint the picture of where potential vulnerabilities are for our customers and educate them to create home resiliency.

**“Our claims philosophy is anchored in a commitment to excellence.**

We promise comprehensive investigations, diligence, integrity, a deep understanding of our customer, and prompt claims settlement. This philosophy reflects our dedication to upholding the trust our policyholders place in us, epitomized by our guiding principle: Efficiency in action, integrity in practice.”

*Cheri Trites-Versluis  
Vault Chief Claims Officer*

## VAULT MOST COMMON CLAIMS

	%
Water Damage	32.7%
Hurricane	12.7%
Hail Damage	8%
Mysterious Disappearance	6.1%
Freezing	5.4%

## MOST SEVERE SINGLE CLAIM

Water Damage	Over \$3M
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# FIRE & WILDFIRE: RISK MITIGATION

Strategies  
to Protect  
Your  
Home



According to The Pew Charitable Trusts, from 2017 to 2021, the **average annual acreage burned by wildfire in the U.S. was 68% greater** than the yearly average from 1983 to 2016. [2] The frequency and severity of wildfires are increasing, presenting substantial risks to residences, communities, and the environment.

The main causes of wildfires are human-made, including fallen utility lines, careless campfires, fireworks, arson, and natural causes, such as lightning strikes. Globally, it's estimated that only around 5% of wildfires begin naturally. [2] We each play a vital role in the prevention of fires.

Several states have taken proactive measures to increase their investment in mitigation efforts. Washington has pledged \$500 million for mitigation projects spanning eight years, while California has earmarked \$2.7 billion for similar initiatives over four years. [2] Homeowners should prioritize effective risk management, including mitigation and adaptation, to confront the ongoing wildfire challenges.

Constructing a home resistant to wildfires involves strategic planning, meticulous design, and integrating fire-resistant materials to create a residence capable of withstanding the extreme heat and flames.

## **These strategies include:**

- Add ignition-resistant siding, roofs, decks, attic vents, eaves, and windows.
- Avoid storing flammable materials on or under decks.
- Create a 10-foot buffer zone around the home by clearing vegetation and combustible mulch.
- Ensure gutters and roofs are free of debris.
- Use careful landscaping to reduce the continuity of fuels and help slow fire down.
- Remove branches that overhang the structure.
- Replace wood fencing with noncombustible metal fencing where it attaches to the home.
- Space and prune trees and vegetation to keep flames smaller, lower to the ground, and to interrupt the fire's path.



# PROTECTING YOUR HOME & FAMILY FROM ELECTRICAL FIRES

## A Vital Consideration for Electric Car Owners

As electric cars become increasingly common, many homeowners are installing chargers in their garages to accommodate these vehicles. While this is a convenient and environmentally friendly choice, it can pose an often overlooked fire risk, especially considering the use of lithium-ion batteries in these vehicles.

### **Mitigating the Risk of Lithium-Ion Battery Fires:**

Homeowners should ensure that charging stations are installed and maintained according to manufacturer guidelines, including proper ventilation and electrical wiring. Additionally, utilizing high-quality charging equipment with built-in safety features such as overcharge protection and temperature monitoring can help prevent battery overheating. [1]

### **The Importance of Early Detection:**

Early detection of fires can prevent significant damage. In the event of an electrical fire originating from a lithium-ion battery in your garage, quick

notification to emergency services can make all the difference.

However, many home garages are not equipped with sensors to catch these fires until they reach indoors.

### **Recommendation: Install a Heat Detector**

To enhance the safety of your home, we recommend installing a heat detector in your garage. Unlike standard smoke detectors, which may be susceptible to false alarms triggered by car exhaust, heat detectors are specifically designed for garage spaces. Also known as rate-of-rise detectors, these devices provide early warning to your alarm monitoring company in the event of rising temperatures, allowing for swift action to prevent the spread of fire.

### **Take Action to Safeguard Your Home.**

Don't wait until it's too late to protect your home and family from the risk of electrical fires. Take proactive steps today to ensure your garage is equipped with the necessary safety measures.



# SNOW, ICE, FROZEN PIPES: RISK MITIGATION

According to Triple-I, the Texas Freeze in 2021 marked the most expensive winter insurance incident in U.S. history. Since then, there has been heightened attention placed on mitigating extreme cold and freeze risks in areas that did not previously experience these events.

Risk mitigation is the cornerstone for minimizing property damage, shifting focus from reactive "detect and repair" approaches to proactive "predict and prevent" strategies. [1]

Here are ways to bring this "predict and prevent" strategy into your own home:

## Inside Your Home

- To help prevent pipes inside the walls from freezing, heat your home to a minimum of 65 degrees.
- Allow faucets to drip to keep water moving within the pipes to help prevent freezing and bursting.
- Verify the functionality of fireplaces, wood stoves, and electric heaters to ensure they are operating correctly. Combustible items should be kept away from heat sources.
- When not in use, keep the fireplace flue closed.

## Outside Your Home

- To prevent injury, keep sidewalks and entrances free from snow and ice.
- Watch for ice dams near gutter downspouts as they can cause water to seep into a house through the attic.

- Clear gutters of leaves and debris to allow runoff from melting snow and ice to flow freely.
- Have any dead, damaged, or dangerous tree branches removed to prevent falling onto a house or car or injuring a pedestrian.



It's crucial to **understand the specifics of your homeowner's policy**. Standard homeowners insurance often covers property and personal possessions damaged by wind, snow, and ice. However, flooding-induced property damage isn't covered under a standard policy. Flood insurance covers scenarios like melting snow seeping into a home, apartment, or condominium. [1]

# Tornados & Severe Storms: Risk Mitigation

According to Swiss Re, **severe thunderstorms** reached a new all-time high of \$60 billion in 2023, making them the main driver of natural catastrophe losses last year [1]. Losses from severe thunderstorms have steadily increased by 7% annually in the last 30 years. 2023 marks an increase of almost 90% compared to the previous 5-year average (\$32 billion), and more than doubles the previous 10-year average (\$27 billion). [1]



With an increase in tornado outbreaks occurring east of the Mississippi River in the Southeast and Mid-South regions, the traditional boundaries of "Tornado Alley" are shifting. [2]

Severe winds and rain can occur on their own or they can accompany storms like hurricanes, tornados, and thunderstorms. Flying debris and downed power lines and trees can make severe winds a risk to lives, property, and electrical utilities.



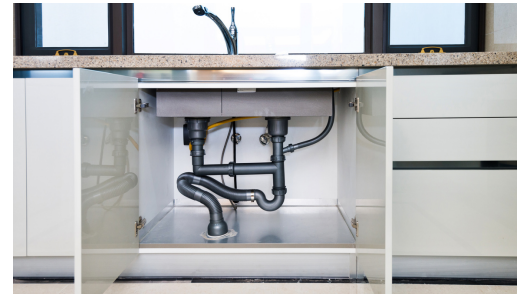
Investing in storm mitigation measures can safeguard your home against significant and costly damage from severe storms down the line. In the case of damage, check that you have adequate insurance coverage to streamline the claims process, and consider creating a list of your most valuable belongings or visually documenting your possessions by taking a video of your home. [3]



## Follow these mitigation tips:

- Regularly maintain your property, remove or anchor loose debris and items like branches, furniture, roof shingles, toys, gardening equipment, which can damage your home during high winds.
- Remove trees that are older, damaged, or unhealthy as they can fall during heavy winds and cause extensive damage.
- Install storm shutters over all exposed windows and glass surfaces.
- Consider building a safe room if you are in an area that is prone to severe winds. A safe room is an area within your home that is reinforced to provide protection from broken glass and flying debris.
- Replace loose rock and gravel near your home with hard surfaces such as pavement or soft materials such as mulch, grass or dirt.
- Seal any gaps in roof, chimney, windows, and doors to prevent rainwater from seeping in.
- Clean gutters and downspouts regularly.
- Check property drainage routinely to ensure proper water flow.
- Keep an emergency kit on hand with essentials such as food, water, hygienic products, batteries, flashlights, and more, in the event of power outages.





## WATER: RISK MITIGATION

According to the latest data from the Insurance Information Institute, **water damage and freezing claims make up 24% of all home insurance claims** ranking among the most frequent and expensive home insurance claims. [1]

Despite the cost and risk, less than 17% of homeowners have water sensors installed in their homes, while 85% have smoke detectors, 51% have fire alarms, 48% use security cameras, and 34% have intruder alarms. [3]

The potential for water damage poses a looming risk that is best tackled proactively.

**Reduce your risks by implementing these strategies:**

- High-value homeowners should prioritize routine property inspections to spot signs of wear and vulnerabilities for water risks and prevent extensive damage [3].
- A well-functioning drainage system is essential. Make sure your property's grading is adequate to divert water away from the foundation. Regularly check and clear debris from downspouts and gutters to maintain unobstructed water flow. [3]
- Check the hoses connected to washing machines, dishwashers, water heaters, and refrigerators for signs of wear or damage. Repair or replace if needed. [3]
- Examine your roof for any needed repairs, such as replacing missing, deteriorated, or damaged shingles. Additionally, ensure your roof gutters are clear of debris. Clogged gutters may cause overflow, leading to water pooling near the foundation, which could result in basement seepage. [3]
- Install smart water-leak detectors capable of sending you alerts. Certain detectors can automatically cut off the water to prevent potential damage. In a LexisNexis study of 2,306 US homes that installed in-line water shut-off systems, water-related claims decreased by 96% compared to the two years before installation. [2]
- To avoid frozen pipes in regions with severe cold, maintain a minimum indoor temperature of 65 degrees Fahrenheit and take additional measures such as insulating pipes and allowing water to drip overnight. [4]
- To prevent potential ice dams, it's important to clear snow from your roof. When snow melts and refreezes on roofs and in gutters, it can create ice dams, resulting in damage to both the exterior and interior of homes. Utilizing a roof rake can effectively remove snow from the roof, reducing the risk of ice dams. [3]

# Pressure

## Under Pressure

A Vault VIP customer bought a penthouse on the top floor in one of the most affluent areas in New York. It was an older building, and they intended to do a full renovation. It was also their secondary home, so they did not stay there full-time to monitor it.

Our Vault Risk Services Specialist came to inspect their new home for any potential risks. They did a thorough inspection, including the laundry room, a tight squeeze with a stackable washer/dryer. Our inspector was able to snap a photo from behind the machine, which revealed a massive bulge in the hose signifying it was about to burst. Since the customer was not staying at this home at the time, they would not have known or caught it fast enough.

After asking permission from the customer's family to turn off the water valve to prevent an emergency, they quickly ran the washer on rinse and released pressure from the hose. Within the hour, they had contacted the customer's agent and underwriter and secured an appointment with a plumber to resolve the issue less than 48 hours later. The plumber installed the rubber hose Vault requires to reduce the risk of this happening again.

The potential flood from this situation would have damaged the penthouse and all the units below and could have triggered a liability damage lawsuit. Our Risk Specialist's quick thinking and fast action prevented a devastating loss, underscoring the importance of water mitigation in every home.



A photograph of a man and a woman in a swimming pool. The man, on the left, is wearing a light-colored straw hat and olive green swim trunks, sitting on the pool's edge. The woman, on the right, is wearing a white swimsuit and a large straw hat with a light-colored ribbon, lying on her back in the water. The pool has a blue and white mosaic tile pattern. The text 'PART FOUR' is centered in a large, white, serif font, and 'Protecting Passions & Reducing Risks' is centered below it in a smaller, white, sans-serif font.

# PART FOUR

Protecting Passions & Reducing Risks



# PROTECTING YOUR VEHICLE

The auto insurance industry has faced immense difficulties over the past few years. In 2022, the industry had a record-high loss ratio of 111.8% in 2022, which was 11 points higher than the previous year. Some top insurers saw loss ratios as high as 127.9%. [1]

Since 2023, auto insurance rates skyrocketed 26%. Like home insurance rates, the auto sector has been affected by inflation, repair and labor costs, and severe weather events increasing auto claims. [2]

But unlike home insurance, auto insurance has also seen increases in auto fatalities (up 10% from 2019 - 2022 [3]), vehicle theft (up 105% [4]), and catalytic converter theft (up 540% [5]).

Other factors, such as the rise in uninsured motorists, population density, and frequent weather-related claims, have also driven up insurance costs and premium rates.

Auto insurance is not isolated from the effects of regional issues. Florida and Louisiana customers pay more than 47% above the national average and are the states with the highest premiums at \$2,700 per year. [6]

Some states, such as Nevada, are raising premiums 28% this year. Those with electric vehicles -- whose repair costs, labor, and time to repair are still high due to supply chain issues with specialty parts -- pay 23% more for coverage than gas-powered vehicles. [7]





# 90%

Drivers in California, Hawaii, and North Carolina are most likely to see their premiums go up 90% if they receive a driving violation or practice reckless driving habits.

[6]

# \$10K

Luxury cars, such as the Ferrari F430, use rhodium for their catalytic converters. Because of the war in Ukraine and sanctions on Russia, who is the primary exporter of rhodium, this metal can be valued at \$10k per ounce. This encourages the theft of luxury vehicles and elevates repair costs.

[7]

# 50%

Despite higher insurance rates, electric vehicle sales rose 50% in 2023. Tesla models are the most expensive to insure, while non-Tesla EVs are about 31% cheaper to insure. [8]

# KIA

Kia and Hyundai vehicles have been vulnerable to car theft due to specific issues that made them easier to steal. In certain areas, these two brands of vehicles make up more than 50% of all vehicle thefts. [8]

# Auto Thefts on the Rise: What Can You Do?

*Auto theft and break-ins are increasing. Here are ways to prevent your vehicle from being targeted:*

**Park smart.** Park in well-lit and well-trafficked areas to help deter theft and car break-ins. When at home, parking inside a garage or locked, gated area will also help protect your vehicle.

**Don't leave valuables in the car.** Luggage, purses, valuable items, and even change are enough to entice a thief to attempt to break into your car. Whenever possible, bring all items of value inside with you. If not possible, store away in the trunk and hidden from sight.

**Lock all doors and windows.** Never leave your doors unlocked or windows rolled down, even cracked open. Make it a habit to double check that all windows are rolled up and your car doors are locked.



**Do not leave spare keys in or near your vehicle.** Keep your keys on your person. Give a spare key to someone you trust in case of an emergency or leave the spare at home.

**Install anti-theft devices for your car.** One of the best ways to deter theft is to install a car alarm system. Other options include steering wheel and pedal locks and vehicle immobilizers. A GPS tracking device will also help recover your vehicle if it's stolen.

**Never leave your car running unattended.** It may seem like common sense, but it's a surprisingly common way thieves steal cars. Even if you're in your driveway, never leave your keys in the car and your car running unattended. This is the easiest way for a thief to jump in and drive away in the blink of an eye.



# Reduce Your Risks on the Road: Tips to Avoid Distracted Driving



## HOW TO PREVENT DISTRACTED DRIVING

### Before You Hit the Road

- Adjust your seat, mirrors, and climate controls
- Buckle up
- Set your music playlist, radio, audiobook, or anything else you plan to listen to
- Start your GPS
- Put your phone away and on silent for notifications, except for your GPS guidance as needed
- Eat food while parked
- Finish grooming before putting the car in drive
- Stow any loose items securely to avoid reaching for them while driving
- Get children, passengers, and pets buckled, situated, and content (to the best of your ability)

### While Driving:

- Keep your focus on the road and take your time
- Do not multitask
- Encourage passengers to help you reduce distractions
- Drive within the speed limit, and practice defensive driving skills
- Pull over if something needs your attention or you're feeling tired

# EMERGING PATTERNS: EXCESS LIABILITY



Personal excess liability (PEL) coverage is becoming increasingly common for the affluent. Due to high net worth, greater public visibility, and unique risk factors, these individuals have a disproportionate risk of lawsuits from exposure.

In a survey conducted among 800 individuals in the US and Canada who had at least \$500k in investable assets, 92% responded that they were concerned with the size of verdicts against them if they were to be involved in a liability case. Yet, despite this concern, only 36% reported having PEL insurance. [3]

For example, one unique risk to high-net-worth families is the employment of household staff. This presents several liabilities, many of which are overlooked. Often, it's believed that insurance coverage is not needed for domestic staff, but 49 states require workers' compensation insurance for these staff members. Labor laws apply, and there can be steep financial and reputational damages if found in non-compliance. [2]

Another growing risk: dog bites. About 4.5M people are bitten by dogs each year, with children the most likely to be bit. The cost of these claims has increased nearly 32% from 2021 to 2022, averaging at \$64,555. [3]

The cost of these claims for insurers has jumped 130% in the past decade due to higher medical costs and ballooning settlement and award payouts. [3]

Additionally, factors such as social hosting and pool parties can present high risk. Many states have laws that can hold a host liable for injuries at their home, especially when alcohol is served. [4]





## A LOOK AT LIABILITY RISKS

# 390

An estimated 390 accidental drownings happen at home pools or spas, many of which are children. [1] Other common accidents are diving injuries, slipping and falling, and injuries due to product defect or poor maintenance.

# 17.6K

In 2022, there were 17,597 insurance claims related to dog bite injuries. This has costed insurers over \$1B dollars in damages. [2]

# TOP 3

Three states top the list of highest pool accidents [3] and highest number of dog-related claims: California, Florida, and Texas. [4] Florida was highest for pool accidents, while California was #1 for dog bites.





## REDUCING THE RISK OF DOG BITES

*Dog bites and dog bite lawsuits are on the rise. Learn how to prevent dog bites from happening to protect you, your dog, and those around you, and avoid dog-related liability damage.*

### Understand Why Dogs Bite:

- Feeling like it needs to defend itself, you, or its territory.
- Being scared or feeling threatened.
- Unsupervised time with kids.
- Roughly waking or scaring a sleeping dog.
- Provoking a dog. This can include children who don't intend to provoke a dog, but can be too rough or insistent by accident.
- Pain or not feeling well, especially when poked or treated roughly.
- Overexcitement or overstimulation, especially if paired with wrestling or rough play with humans or other dogs.

### Educate Your Family on Safe Dog Activities:

- Always approach a dog calmly, or let the dog come to you. Never run up to a dog.
- Ask permission before approaching or petting someone else's dog. Let them sniff your hand before you pet them.
- Dogs should always be on a leash when outdoors or in public spaces.
- Learn to read a dog's body language and how to act in response.
- Have a designated safe space for your dog that is theirs to relax in, such as a gated off area, dog bed, or kennel.
- Young children should always be supervised with dogs and animals.
- Never pull on a dog's tail, ears, or legs, ride on your pet, startle them while sleeping, or taunt them with food or toys.
- Keep your dog happy and healthy with proper exercise. Dogs who get enough exercise have less pent-up energy, and can help mitigate aggressive behavior.

### Other Prevention Tips:

- Socialize young, and keep training ongoing.
- Keep your dog up to date on vaccinations and records.
- Take proactive action correcting aggressive dog behavior.
- Post a sign alerting others there is a dog on the premises.

### Take Action if a Dog Bite Occurs:

- Restrain, remove, and confine your dog.
- Make sure the person is okay, that they clean and bandage the bite, and you have given them proof of rabies vaccination.
- Call 911 if needed.
- Report the dog bite and your dog's behavior to your veterinarian and as local laws require.
- To prevent further issues, seek your vet's advice and behavioral training for your dog to correct issues in your dog's behavior and your own.

# Summer Safety

## QUICK TIPS TO STAY SAFE ON ALL YOUR ADVENTURES

*Summertime is full of adventures outdoors. But with adventure comes risk, and summer safety may not be top of mind when you're having fun. We've included our top safety tips for summer to help you keep you and your family safe, happy, and healthy no matter where your adventures take you.*

### Pool Safety

- Children should wear a life vest or flotation device.
- Always be attentive watching children.
- Install pool safety equipment, such as:
  - Pool alarm
  - Fencing
  - Drain covers
  - Life hook
  - Safety pool cover
- Do not drink alcohol around the pool or spa.
- Deflate and put away kiddie pools when not in use.
- Talk to your children about pool and water safety.
- Learn CPR and first aid.
- Take swim lessons.
- Check the pool or water first if your child is missing.

### Open Water and Beach Safety

- Have life vests for every person.
- Shuffle your feet when walking out into the ocean or open water.
- Check for lifeguards on duty.
- Look for flags alerting local conditions.
- Pay attention to changes in weather and head indoors whenever you hear thunder or see lightning.
- Avoid rip currents and never try to fight the current.

### Car Safety

- Never leave a child or pet in the car, even briefly.
- Perform routine summer car maintenance.
- Have a chat with your teens about safe driving practices.
- Drive responsibly, have a designated driver, or use a rideshare.
- Get enough sleep and stop for rest when feeling tired on the road.
- Watch out for bicycles and motorcycles.

### Outdoor Safety Tips for Summer

- Wear sunscreen. Reapply every 80 minutes.
- Stay hydrated.
- Cool off in the shade or inside often.
- Wear a helmet when riding a bicycle or motorcycle.
- Use insect repellent to ward off mosquitoes, ticks, and other disease-transmitting bugs.
- Practice firework safety:
  - Use only where legal.
  - Stay away from homes, trees, and people.
  - Do not use in drought or wildfire conditions.
- Never leave a grill unattended.
- Do not grill indoors or in enclosed areas.
- Do not leave pets outdoors without shade or water.
- Share your summer plans with others:
  - Whether it's a concert, road trip, picnic, or camping trip, let others know where you are for your safety.





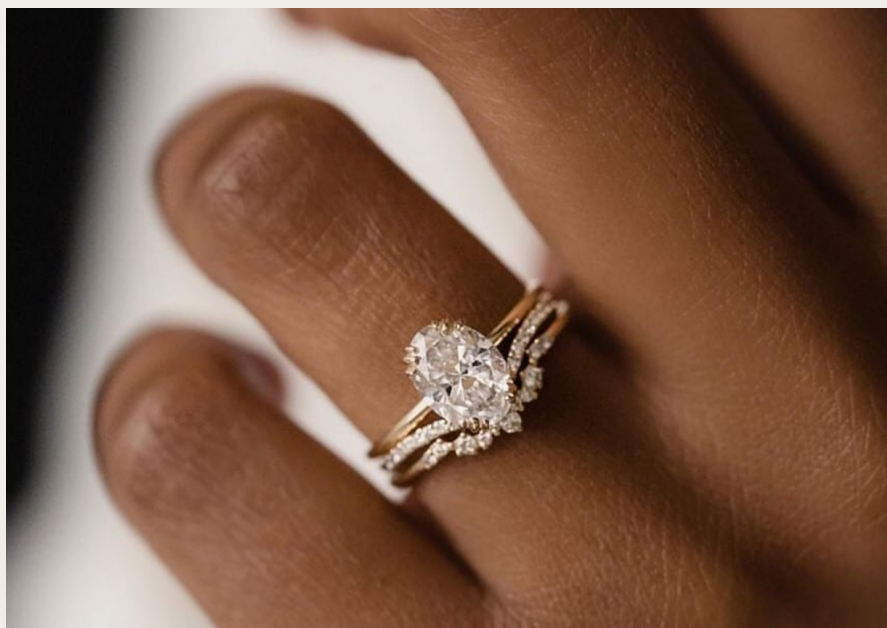
# PROTECTING YOUR PASSIONS

Women are driving luxury art sales, according to Forbes. Affluent women spent a median of \$72,500 in 2023, about 22% more than men. [1] Overall spending on fine art valued over \$1M increased from 4% to 9% in 2023 (although still lower than previous years), as high-net-worth individuals still use art to balance their financial portfolios and investments. In 2023, art collections made up about 19% of HNW wealth portfolios. However, digital art trends, such as NFTs, plummeted to only 3% of total expenditure value. [2]

A growing issue for insurers is social media. More than half of affluent respondents in a UK study admitted to sharing photos and detailed captions of their art collections to social media, and 22% even tagged the location of the collection. This makes these collections highly visible and vulnerable to theft. [3]

Another popular collection piece, luxury watches, has seen higher demand as the secondary market drives up value. Discontinued and vintage timepieces are expected to make up more than half of the primary market and reach over \$32B by 2030. This drive-in value and desirability has increased watch theft, especially for brands like Rolex, which accounts for 44% of all watches stolen or lost. [4]

As a result, insurers encourage customers to take greater care with their luxury collections and review their coverage often.







# \$227B

Globally, sports memorabilia will skyrocket in revenue, hitting an estimated \$227.2 billion by 2032. The market brought in \$32.4 billion in 2023. [1]

# 60%

60% of claims resulting from art damage happen during transportation. [2] Taking proper care when storing and transporting art is key to reducing risk.

# GEMS

Gemstones are growing in popularity. In previous decades, gemstones made up only 5% of engagement rings. Now they make up 15% as they are seen as more unique and distinctive. As a result, prices have jumped for popular choices such as pearls and opals (up 20%), tourmalines (up 36%), and emeralds (up 13%). [3]

# 322%

Whiskey has seen the highest return on investment of any alternative investment collection, growing in value by 322% over the past decade. Fine wine came in second, with a growth rate of 149%. [4] Vintage jewelry increased by 80% [5], while coin collections are expected to grow by about 10% in the next decade. [6]

# Strengthening the Canvas:

## Essential Risk Mitigation Tips for Fine Art Collections

*Mitigating risks for a valuable fine art collection requires careful planning, security measures, insurance, and diligent management. Here are some tips to help protect your valuable art collection:*



- **Insurance Coverage:** Work with an insurance provider, like Vault, who is experienced in safeguarding high-value art collections to ensure comprehensive coverage. Ensure your policy covers risks such as theft, damage, vandalism, and natural disasters.
- **Regular Appraisals:** Have your art collection appraised by qualified professionals to ensure that your insurance coverage accurately reflects its current value. Art values can fluctuate over time, so updating appraisals periodically is essential.
- **Security Measures:** Invest in robust security systems to protect your collection. This may include alarm systems, surveillance cameras, motion detectors, and secure locks. Consider installing specialized environmental monitoring systems to maintain optimal conditions for artwork.

- **Safe Storage:** Store your art collection in a secure location, such as a dedicated art storage facility or a climate-controlled room in your home. Ensure the storage area is protected from environmental hazards like humidity, temperature fluctuations, and sunlight, which can damage fine art.
- **Cataloging & Documentation:** Keep detailed records of each piece in your collection, including photographs, descriptions, provenance, and purchase documents. This will be invaluable for insurance claims and recovery efforts in the event of theft or damage.
- **Transportation Security:** When transporting artwork, whether for exhibitions, loans, or relocation, use reputable art transport companies experienced in handling valuable and fragile items. Ensure that artworks are properly packed, secured, and insured during transit.
- **Fire Prevention:** Implement fire prevention measures in your storage or display areas, such as fire-resistant materials, smoke detectors, and fire extinguishers. Consider installing a fire suppression system designed to protect artwork without causing further damage.
- **Pest Control:** Implement measures to prevent pest infestations, such as regular inspections, sealing entry points, and using non-toxic pest control methods to avoid damaging artwork.

By implementing these risk mitigation strategies, you can help safeguard your fine art collection and preserve its value for future generations.





# PROTECTING FINE JEWELRY

5 Ways to  
Keep  
Priceless  
Jewelry Safe

VAULTINSURANCE.COM



Protecting heirlooms and fine jewelry from theft and damage is essential. Here are the best ways to keep your jewelry safe and insured.

## **1. Store Jewelry in a Fireproof Safe**

Securing your jewelry in a fireproof and burglar-proof safe can keep your heirloom jewelry and valuables safe from theft and damage.

## **2. Have Documentation & Appraisals**

Document what pieces you own by keeping a photograph of each item on hand. Include details of their appraised value and description.

## **3. Insure Jewelry for the Unexpected**

Insuring jewelry will help protect and cover your items in the event of damage, loss, or theft. Collections insurance can be added to your home coverage to cover any losses associated specifically with your jewelry and heirloom collection.

## **4. Install a Home Security System**

Having a home security system or doorbell camera can help protect your home when you're away. They are a deterring factor for potential burglars and keep your valuables safe.

## **5. Be Mindful While Traveling**

Never check your jewelry in your luggage. Instead, always keep your jewelry on your person while traveling or, if you must, in your carry-on luggage.



# Historic

## A Historic Collection

A Vault customer purchased a historic home rich in history, which came with an incredible private collection. The home once belonged to a family member of a famous inventor, who would send some of his memorabilia to the home for safekeeping and storage. Over the years, the collection passed from owner to owner and stayed with the house.

Our customer knew these items were historic but did not know what he really had. So, a Vault Risk Services inspector came out to assess the collection's value so it could be fully insured.

The collection had priceless items: whiskey party favors from a royal wedding, a letter from the president, and prototypes of his inventions. They also found a safe in a corner which was locked and never opened. The customer had no idea what was inside or how to place a value to insure it all.

Our Risk Services Specialist enlisted a professional locksmith company to open the safe without damage and our Specialist assessed the value of the entire collection. Vault was able to properly insure the historic memorabilia by adding a Collections policy to their Homeowners insurance, and put the customer's mind at ease.

# About Vault



# The Vault Difference

## Customized Solutions for Unique Needs

At Vault, we're not just insuring assets. We're reducing risks with data-driven technology to protect what matters most – cherished moments, family memories, and priceless legacies.



### A blank canvas:

Our unique business model centers around providing customized solutions, starting with a blank canvas and tailoring it to your needs.



### Fast claims response and payout times:

Our claims promise: We respond to claims within 24 hours from initial contact. Our average time for some form of payout is 48 hours.



### Industry innovator:

Vault is a leading high-net-worth insurance provider for custom insurance solutions. Our leaders are respected industry innovators with decades of insurance expertise.



### Financial strength:

Vault is rated A- (Excellent) by AM Best for our financial strength. We also retain an A+ reinsurer panel rating for our conservative reinsurance protection.



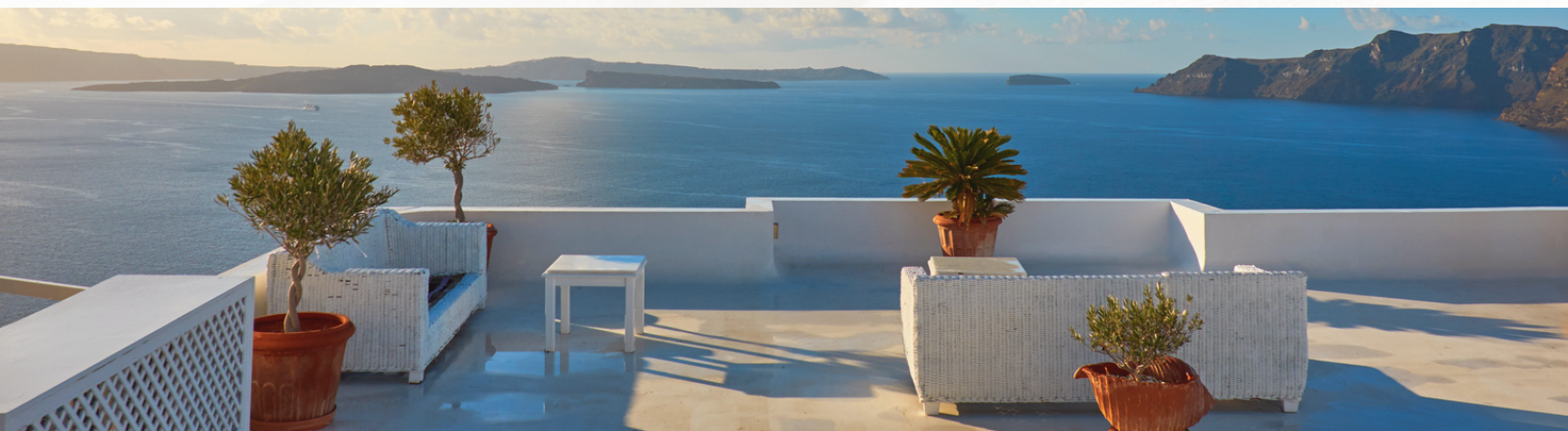
### Proactive protection and crisis response:

We analyze where we can reduce risks and provide the resources and tools to our customers to mitigate potential dangers.



### Nationwide coverage:

We partner with local brokers and agents to offer the best service experience for our customers.





## Vault Claims

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Our claims system is **more than a payment process, it's a life recovery process.** Vault Claims Adjusters do what it takes to make a difference for our customers.

Many have dealt with nightmare scenarios and endless back-and-forth with their insurance provider following a claim. At Vault, we strive to provide empathy, compassion, diligence, deep understanding, and prompt claims settlement. We focus on fast, flexible, and creative solutions to help you recover and recoup your losses.

We promise to respond to claims notifications within 24 hours of initial contact. Once damages are agreed upon, payment is issued on average within 48 hrs.

**Average response time  
after a claim notification:**

**24 hours**

**Average time to some  
form of payment:**

**48 hours**

## Based On A True Story

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"Extremely happy with how Vault handled our claim from Hurricane Ian. Our house had extensive damage and they were quick, responsive and very fair in handling the claim. Our Vault Adjuster was extremely helpful. Vault is head and shoulders above all other companies."

*Jim, Vault Customer*

"Everything has been excellent from just after the hurricane hit and Vault contacted us. We were at our home in Norway at that time, returned to Cape Coral in Florida by November 1st. Vault answered telephone calls and emails immediately. The adjuster did an excellent job before we returned to Florida, and we got the payment right after. Nothing could have been better. We are impressed."

*Arnie, Vault Customer*



# CONTACT US

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info@vaultinsurance.com

844-36-VAULT (82858)

## FINANCIAL STRENGTH

Vault is rated A- (Excellent) by AM Best for our financial strength. We also retain an A+ reinsurer panel rating for our conservative reinsurance protection. Our company growth is fueled by technology investments, strong underwriting, data analysis, and an unrivaled business model emphasizing flexible, bespoke policies. We maintain a prudent approach to financial management and maintaining ample capital to insure complex risks.

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*Vault and Vault Insurance are the marketing names used to refer to Vault Reciprocal Exchange, a Florida-domiciled reciprocal insurance exchange managed by Vault Risk Management Services, LLC as its attorney-in-fact, and its affiliates. Certain products and services may be provided by its affiliates.*



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