

The language of
insuring ~~high net worth~~
successful families
and individuals

CHUBB®

Research paper



The Research

Many high net worth individuals have seen the benefits of working with independent agents and specialty carriers, but the industry is poised to grow even further.

Investable wealth up

9.4%

as of 2014, totalling
\$15.2 trillion

Over the next five years,
the number of U.S.
millionaires is expected
to grow by

33%

Indeed, since the financial downturn in 2009, the number of high net worth households in the U.S. has grown steadily¹, with their investable wealth growing by 9.4% to \$15.2 trillion as of 2014.² And the number of millionaires in the United States is expected to grow by 33% over the next five years.³

As category leaders, Chubb has long sought to identify ways to not only move our own business forward, but to invest in growing the businesses of independent agents as well, by providing education, resources, and other support to help generate more qualified leads, more referrals, and more effective marketing efforts.

We believe that the biggest opportunity for growth across the industry lies in attracting high net worth individuals who are currently insured with standard carriers—educating and motivating prospects who aren't necessarily in the market for different or better insurance, but who would be willing to make a switch if they understood its value.

These prospects have assets that Chubb is uniquely qualified to protect, with \$1-3 million in replacement value and household incomes ranging from \$200,000-\$400,000 and up.

At Chubb, we believe that rather than focusing our efforts solely on how to convert prospects who are already in the client pipeline because they've been referred to an independent agent, we have a responsibility to help agents grow a bigger pipeline in the first place.

To do this, we identified a critical first step: find the right value proposition and the right language to use with these target prospects:

- How can independent agents and specialty carriers engage an audience that appears uninterested in a premium insurance experience?
- What are the most effective ways to educate and motivate this market?
- In a crowded insurance landscape with standard carriers spending millions of marketing dollars promising great coverage and great value, what language will break through?

Who this research is about:

Prospects with assets worth
\$1-3 million
in replacement value

\$200k+
household incomes

Throughout this paper, you will learn how these high net worth prospects who are current clients of standard carriers think and feel about insurance, and how to communicate effectively with this audience to help them understand the unique value independent agents and specialty carriers are well-suited to deliver.

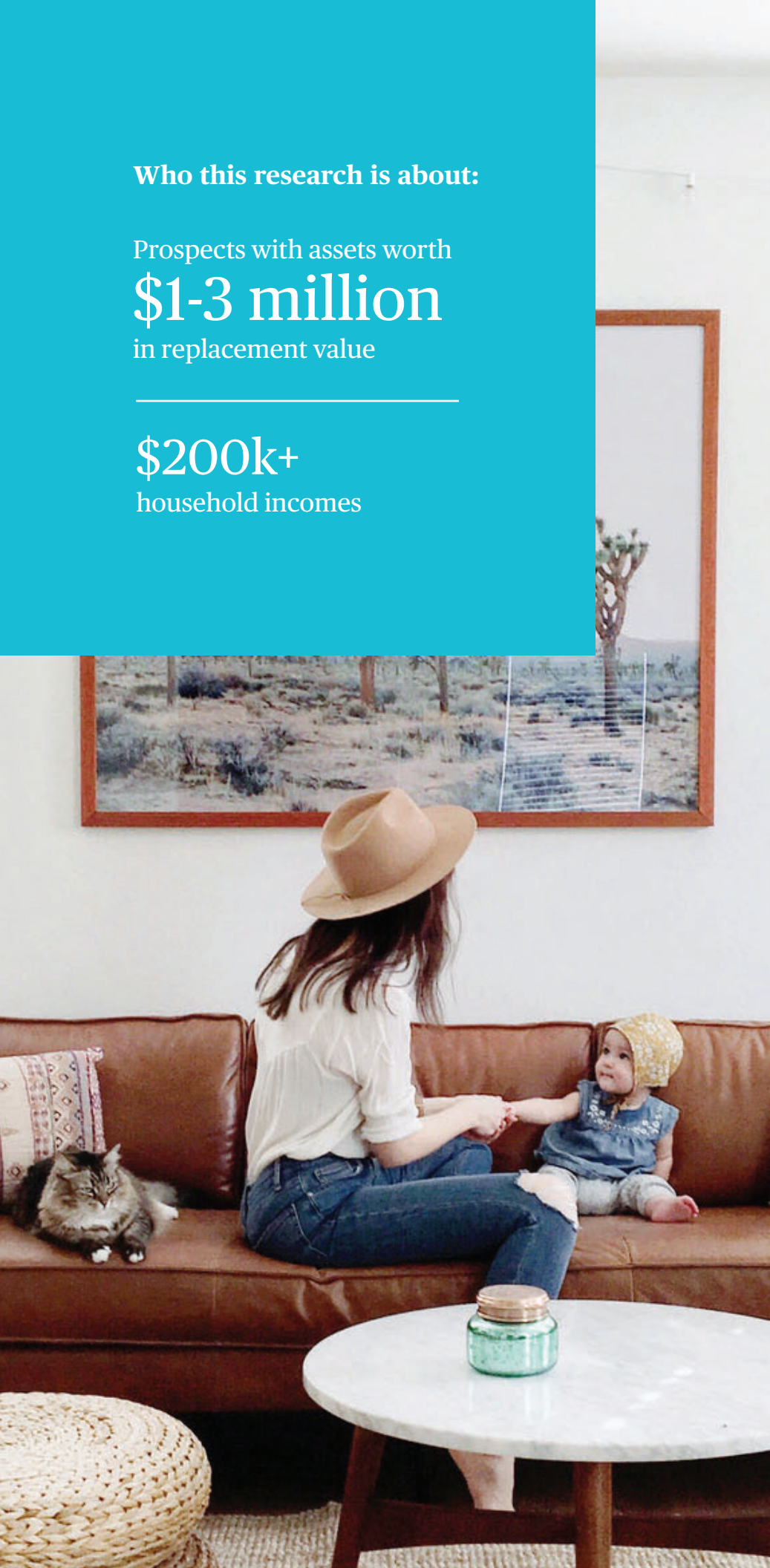
But first, a caveat: this paper is not focused on the “ultra” affluent or the millions of affluent households already served by independent agents and specialty carriers. While none of the language recommendations should alienate these vital client segments, given our objective of generating more leads among prospects with standard carriers, we targeted our research accordingly. That said, our commitment to serving the ultra high net worth is unwavering, as demonstrated by Chubb’s industry-leading retention rates and unparalleled client satisfaction among this segment.

Research Methodology

The work conducted involved significant input from independent agents who sell Chubb insurance. maslansky + partners - a consulting firm that specializes in the effective use of language - partnered with Chubb to develop and test key messages with target prospects currently insured with standard carriers in New York, Chicago, and Seattle using instant response dial sessions. The findings were then validated in a nationwide online survey with 800 target prospects.⁴

The work conducted is based on a simple premise: it’s not what you say that matters; it’s what they hear. Simply put, this unique language and message testing process is designed to help you communicate with confidence by focusing on how your audience reacts to what you say.

¹Source: Phoenix Marketing International, The High Net Worth Investor Market, 2015. ²Source:Capgemini Financial Services Analysis, U.S. Wealth Report 2015, 2015. ³Source:Credit Suisse, ²⁰¹⁶ Credit Suisse Wealth Report, 2016. ⁴Please see pg. 9 for a detailed description of the research methodology.



Challenge Our Assumptions & Speak Their Truth

How do prospects see themselves?

As an industry, we see ourselves as truly understanding the lifestyles and needs of high net worth individuals and their families. And by using the terms “high net worth” or “affluent” to describe our audience, we’ve sought to highlight the protection and level of service they can only expect from a premium carrier like Chubb.

But what do these target prospects hear when the industry says that we specialize in *affluent* and *high net worth* clients? Their reactions are telling:

“You don’t want to insure me.”

“It doesn’t pertain to me, even though I consider myself upper middle class.”

“That sounds snobby and elitist.”

What we found: direct appeals to their socioeconomic status backfire.

No matter how much these prospects with standard carriers have, and no matter how “elite” their lifestyles may be, there is always someone else they know who has even more than they do. If they have a nice home, their wealthier neighbor has a mansion. If they have a boat, their friend owns two yachts. In each case, wealth is relative, so they’re slow to self-identify as “affluent” or “high net worth.”

There may, of course, be prospective clients in your pipeline who do consider themselves affluent or high net worth. But within the target segment of prospects who are currently insured with standard carriers, labels like “affluent” and “high net worth” can feel elitist and alienating.

So in order to draw more prospects into the pipeline, we need to identify them with the language they relate to.

To get their attention, refer to them as “successful.” In the quantitative survey, 39% preferred a carrier who specializes

in “successful” individuals and families and another 26% chose “accomplished.” In comparison, only 20% and 15%, respectively, chose “high net worth” or “affluent.” Why? Because “successful” and “accomplished” focus on their achievements, rather than just their wealth.

*“It doesn’t pertain
to me, even though
I consider myself
upper middle class.”*

- Research participant





“*That sounds snobby and elitist.*”

- Research participant

What are our prospects “valued possessions”?

There’s one other critical element to the way this target audience thinks about themselves. Often, there’s an instinct to demonstrate expertise by telling stories about the extreme kinds of things specialty carriers can help cover and restore. The logic should follow, “If we can do THAT, just imagine what we can do for you.”

But while many members of our target audience live comfortably, have nice things, and take great pride in their valuables, they don’t define themselves by what they have. And when they hear examples they don’t feel are directly relevant to their lives, it raises questions about whether or not they actually need to switch carriers.

Again, they wonder - would you even insure me if I don’t have an extensive art or wine collection? Even if they have these things, they’re likely to assume you’re only interested in helping people with BETTER art and wine collections. And, they start wondering if their premium may actually wind up benefiting the “ultra” high net worth’s spending habits, instead of their own.

What we found: the examples you lead with matter. A much more effective way to demonstrate expertise and attention to detail to prospects with standard carriers is to highlight examples of everyday investments prospects may have made in quality, like replacing upgraded appliances to the exact or latest models available. This was validated in the survey, with over 60% of prospects responding that upgraded appliances were extremely relevant to them.

Of course, when you’re sitting face-to-face with a client, it becomes much easier to tailor the conversation to their unique situation. But if you’re looking to generate more qualified leads, instead of opening with your expertise in helping them insure rare pieces of art, you can engage them by talking about replacing high-quality appliances. Or you can have an auto conversation that focuses on the customizations clients might have on their luxury SUV, not their collectible sports car.



Our Truth

You'll get access to experts in fine arts, antique cars and advice on how to keep your wine collection safe.

Likely to Alienate

- Antique cars
- Rare wine collection
- Frank Lloyd Wright inspired house

Prospect's Truth

If I don't have these things, they must be targeting someone other than me

Likely to Engage

- Upgraded appliances
- Custom cabinets, flooring or carpentry
- State of-the-art entertainment centers

Move Beyond Coverage

97%

of Chubb clients who have had a claim paid are highly satisfied with their experience

Suggest that because of their success, their needs may have changed.

What do prospects with standard carriers think about their coverage?

Many specialty carriers pride themselves on offering superior coverage and underwriting. So our instincts tell us that if we point out the shortfalls of standard carriers - like how a prospect's home might not be insured to its full value or that their policy is more "one size fits all" than unique - these will be compelling reasons to switch.

But this is an uphill battle - because most target prospects aren't necessarily in the market for more or better insurance. They don't think about their insurance all that much to begin with, and when they do, they are generally satisfied with their carrier.

So, direct attacks on the limitations of other carriers' policies can make prospects feel like we're insulting them. It immediately puts them on the defensive, instead of engaging them and making them want to hear more about what you can offer.

What we found: it isn't effective to open the conversation with better coverage because prospects already think they get great coverage. This argument can get them thinking of rising premiums, and how they'll have to pay more for something they might not really need.

So instead of talking broadly about offering better coverage and writing better policies, highlight the types of coverage and protection **ONLY** premium carriers can offer.

Critically, it's important not to bash the competition. Instead, we can suggest that because of their success, their needs may have changed, despite what's worked for them in the past. And even simply pointing out what kinds of coverage premium insurers can offer - such as emergency medical assistance and protection when traveling overseas, or higher umbrella (excess liability) limits - gets them thinking of the exposures they haven't thought about, and plants the seed that there are better carriers for them.



Our Truth

Standard carriers are fundamentally under-delivering.

We'll make sure your home is insured to its full value.

When we write a policy, we write it for you.

Prospect's Truth

My carrier is fundamentally fine.

But I told my carrier how much value we wanted to cover.

Doesn't everyone?

Why Choose Chubb?

It's about how we see the people we serve as more than a claim, but as our clients.

8 out of 10
prospects surveyed said they were likely or highly likely to consider switching to Chubb after everything they heard.

72%
would pay more for this elevated experience

While agents and brokers recognize that Chubb is a superior carrier that provides better coverage, target prospects were most impressed to learn other key details about us, like:

- 97% of Chubb clients who have had a claim paid are highly satisfied with their experience
- Chubb adjusters have the authority to approve claims, but can't deny them without a manager's approval
- Chubb offers services to help prevent issues from happening in the first place

Now, the conversation isn't just about coverage. It's about how Chubb will **raise their expectations about what insurance can deliver**. It's about how we see the people we serve as more than a claim, but as our clients—a promise only Chubb can credibly own.

Why is this approach compelling?

While prospects are largely satisfied with their coverage, many DO feel that if they had a claim, the experience would be stressful. And they expect the relationship with agents and adjusters to be transactional, instead of personal.

So one effective way to stand out as an independent agent is to not simply focus on what you can offer, but instead **paint a picture of how you, partnering with Chubb, will make them feel** - the experience they'll get when they work with you. How you'll value their time, how you'll be proactive and responsive, and how you'll treat them with empathy and compassion.

Importantly, when target prospects understand and believe they can get an experience that is better than what they have now with standard carriers, they see the value of switching. In fact, **8 out of 10 prospects surveyed said they were likely or highly likely to consider switching to Chubb after everything they heard**. And 72% would pay more for this elevated experience.

The Chubb Commitment

You're more than a claim.
You're our client.SM

We recognize our prospects have worked hard for their success, and we believe they deserve a carrier who recognizes that. So at Chubb, everything we do is about taking care of clients, not just claims. And there are two important ways we achieve this:

We look for ways to *say yes*SM

- Chubb adjusters are trained to respond to claims within 24 hours, and, once approved, to issue payment within 48
- During repairs, Chubb clients are kept comfortable in a comparable place to stay, whether that's a similar home in your school district or premium hotel

We look for ways to *do more*SM

- Chubb offers emergency medical assistance and protection for protection for overseas travel with a Chubb travel policy
- Chubb partners with Wildfire Defense services, in select states, to help keep clients' homes safe from damage by clearing brush and applying fire-retardant gel

Now, you can “say yes” and “do more” for your clients with Chubb

If you're interested in how Chubb can help you grow your business with successful individuals and families, or if you're interested in downloading videos, attending workshops, or reviewing other helpful resources, contact your local Chubb relationship manager or visit

www.chubb.com/growwithus

Appendix: Research Methodology

Phase One:

The work with maslansky + partners began with significant input from independent agents who sell Chubb insurance and key internal stakeholders, leading to the development of a range of approaches for articulating the value of insurance from a specialty carrier.

Phase Two:

maslansky + partners conducted three Instant Response dial sessions in New York City, Chicago, and Seattle with a total of 52 high net worth prospects in March 2017. During each session, prospects reacted to the messages with Instant Response dial technology on a moment-to-moment basis. As they heard messages being played on a TV, they used a dial with a rating of 0-100 to continuously rate each message based on their gut feelings. Then, group discussion teased out the reasoning behind their reactions and helped us understand why they reacted the way they did to particular words, phrases, and ideas. Participants also filled out written exercises asking them to compare messages and choose language that was most resonant to them.

Phase Three:

Following the Instant Response sessions, maslansky + partners took their dial reactions, discussion, and written exercises to create optimized messages that were tested further in a quantitative survey. The survey was conducted in April 2017 with 800 high net worth prospects (MoE 3.46% at 95% confidence).

Qualitative and quantitative results were both considered to inform this paper.

Chubb. Insured.SM

This literature is descriptive only. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the actual coverage of the policy as issued.

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