



Higher deductibles

When was the last time you reviewed your insurance deductible?

Affluent individuals insured by mass-market carriers are often over-insured because their deductible is too low. If you selected a low deductible on your home insurance policy and haven't been increasing it to match your current financial standing, you are likely over-insuring against minor losses. Think of your insurance as a tool to financially mitigate a catastrophic or significant loss to your home.

If you answer yes to any of the following, then you may be paying too much for your insurance.

- Have you had the same home and auto policy deductibles for years?
- If you suffered a loss today, would you be able to pay your deductible without financial hardship?
- If you had a minor loss, would you consider covering the cost without filing a claim?
- Are you concerned about your premiums increasing due to claiming a minor loss?
- If your deductible could be waived on home losses over \$50,000, would you consider increasing it?

Experts suggest selecting the highest deductible that you are comfortable paying on a loss without significantly impacting your lifestyle. Increasing your deductible by

one level can provide savings that will outweigh potential costs over time. According to the Insurance Information Institute, less than 7% of insured homes has a claim each year.¹ By increasing your deductible on your homeowner's insurance, it's quite possible that, within a few years, the savings on the insurance policy would be greater than the difference in the deductibles. This savings will be even greater in future claim-free years.

Most financial advisors recommend your liability limits at least equal your net worth. The savings from raising your deductible can offset the additional premium from increasing your liability coverage.

How you may benefit from increasing your deductible

Imagine you and your spouse own a \$2.5 million home and carry a \$2,500 deductible. You also have three cars and your only child turns 16 this year. You're concerned whether your \$2 million umbrella limits will be sufficient with a youthful driver in your family. With a Private Client homeowners policy, moving up one deductible level could save approximately 15-21%, or several thousand dollars over a few years.² That would cover the cost to increase your liability limits to \$5 million to more adequately protect your net worth.



Nationwide
is on your side

The following table highlights potential premium savings based on a sample Private Client homeowners policy.²

Dwelling value (coverage A)	Deductible change	Savings	Cumulative premium savings				
			1 year	3 years	5 years	10 years	15 years
\$1 million	From \$1,000 to \$2,500	15%	\$500	\$1,500	\$2,500	\$5,000	\$7,500
	From \$1,000 to \$5,000	27%	\$900	\$2,700	\$4,500	\$9,000	\$13,500
\$2.5 million	From \$2,500 to \$5,000	16%	\$1,100	\$3,300	\$5,500	\$11,000	\$16,500
	From \$5,000 to \$10,000	17%	\$1,000	\$3,000	\$5,000	\$10,000	\$15,000
	From \$10,000 to \$25,000	21%	\$1,000	\$3,000	\$5,000	\$10,000	\$15,000
\$5 million	From \$5,000 to \$10,000	20%	\$2,300	\$6,900	\$11,500	\$23,000	\$34,500
	From \$10,000 to \$25,000	21%	\$1,900	\$5,700	\$9,500	\$19,000	\$28,500

How Nationwide Private Client responds

With a Nationwide Private Client homeowners policy with protection endorsement, we will waive your deductible for a covered loss over \$50,000.³ For example, if you have a covered loss totaling \$100,000 with a \$25,000 deductible, we will waive the whole deductible.

Why it's important for you

If you have been insured with a mass market/standard insurance company for several years, you may be carrying a deductible that is too low for your financial situation. Ask your independent agent to provide you with a Nationwide Private Client homeowners quote with several deductible options. Consider utilizing this savings from selecting a higher deductible and take the opportunity to increase your liability limits. The same logic holds true for your automobile policy. We recommend consulting your independent agent regularly, especially as your financial position evolves.

Nationwide Private Client offers these added benefits:

- Claims: Exceptional claims handling provided by Nationwide Private Client.

- Financial strength: Nationwide, a Fortune 100⁴ company, is one of the largest and strongest diversified insurance and financial services organizations in the U.S. and is rated A1 by Moody's and A+ by both A.M. Best and Standard & Poor's.⁵
- Charitable giving: At Nationwide, we strongly believe in being good corporate citizens where we work and live. Since 2000, the Nationwide Foundation has committed more than \$355 million to charitable organizations across the U.S.

Why Nationwide Private Client

Nationwide Private Client is dedicated to helping protect the assets and reputations of our clients. Our highly personalized insurance products, services and concierge-style claims handling are thoughtfully designed to meet the distinctive needs of affluent individuals and families. We are committed to providing you a superior experience whenever you need assistance.

¹<http://www.fact-statistic.com/homeowners-and-renters-insurance>

²Example provided for demonstrative purposes. Your specific premium savings will vary depending on your specific home characteristics, location and insurance needs.

³Unless a special deductible applies.

⁴Based on revenue, Fortune (June 2015).

⁵Ratings affirmed 7/21/16 by Moody's, 7/7/16 by A.M. Best, and 4/22/16 by Standard & Poor's.