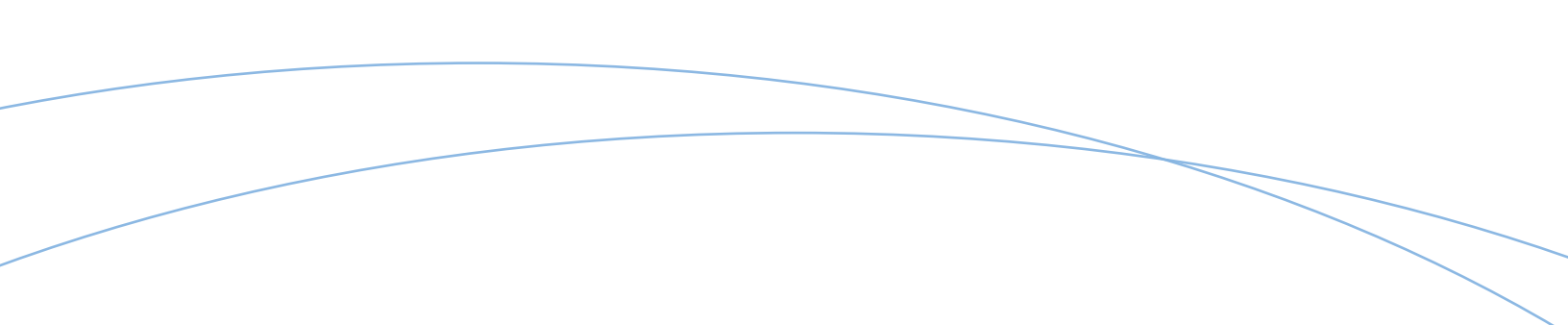


Protecting Generational Wealth

A Practical Guide for Family Office Leaders
and High-Net-Worth Families





For most family office leaders, the value of preparation becomes clearest when an unforeseen event occurs and the right people, processes and protections are already in place.

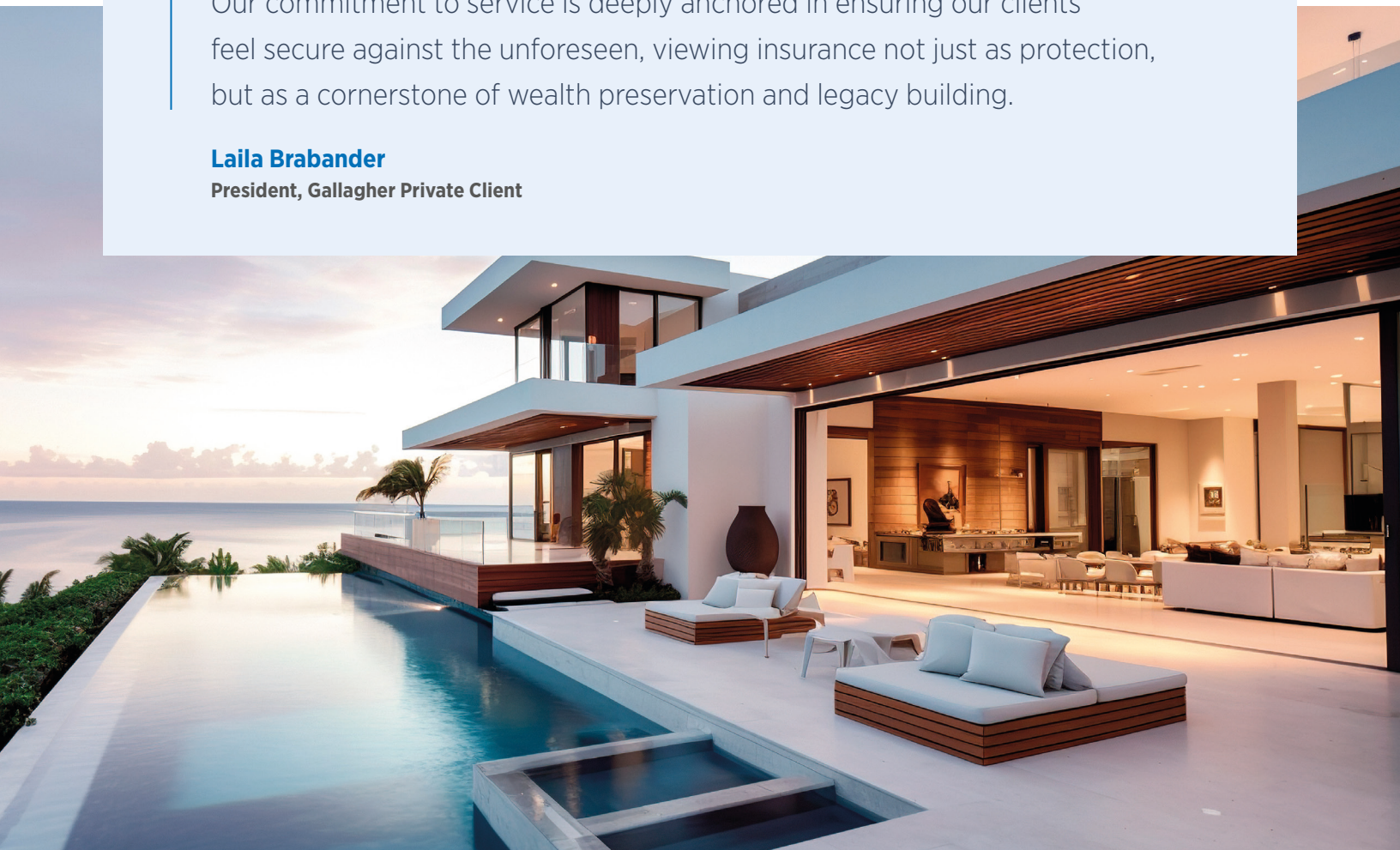
For many high-net-worth families, wealth spans businesses, real estate, investments and specialty assets. As these holdings evolve and pass between generations, managing risk can become more complex.

This guide explores the challenges families and family offices face today, highlights where vulnerabilities can emerge and examines how adopting a more connected view of personal and commercial risks can help protect wealth for the future.

Our commitment to service is deeply anchored in ensuring our clients feel secure against the unforeseen, viewing insurance not just as protection, but as a cornerstone of wealth preservation and legacy building.

Laila Brabander

President, Gallagher Private Client





A more selective insurance market favors proactive clients

The high-net-worth insurance market has become more disciplined, and it's changing the way families approach risk. Rising reconstruction costs, tighter underwriting and growing complexity around certain property types mean coverage can no longer be set and forgotten. Regular reviews can help ensure protection keeps pace with changes in property values, assets and emerging risk exposures.

High-net-worth families who take a proactive approach, review their coverage regularly, update valuations and work with advisors who understand these specialist markets are positioned to achieve better outcomes.

Our [2026 Private Client Market Report](#) highlights that the insurance environment is becoming more strategic. For clients, families are best positioned to navigate the plan, prepare and use data to their advantage.

Wealth is expanding, diversifying and crossing generations

The family office sector continues to grow rapidly. More than 8,000 single-family offices operate worldwide, with continued growth projected over the coming decade. At the same time, the Great Wealth Transfer is accelerating.

For many families navigating a generational transition, this is an opportunity to review existing coverage and ensure it reflects the realities of the next generation, including how they live, invest and engage with risk, rather than continuing arrangements designed for a different set of priorities and circumstances.



The families who come through difficult moments well aren't the ones who got lucky. They're the ones who did the work in advance. In real estate and hospitality, we see this every renewal cycle: Preparation is the only reliable edge.

Alex Glickman

Senior Managing Director and Global Practice Leader
Gallagher's Real Estate & Hospitality practice

The risk landscape for high-net-worth families has evolved

Cyberthreats have become more targeted and sophisticated. Geopolitical volatility has heightened concerns around personal security and travel risk. Climate-related events are also affecting property values, reconstruction costs and coverage considerations in markets that may have once seemed low risk.

The wealth being transferred today often involves more than cash and investments. Alongside financial assets come responsibilities tied to real estate portfolios, collections and specialty assets, each with its own insurance, maintenance and management considerations.

What may seem like a straightforward inheritance can quickly create complexity for the next generation around valuation, documentation, maintenance and insurance. As assets change hands, insurance arrangements don't always keep pace. Valuations may be outdated or insufficient, and coverage may no longer reflect how an asset is currently used. Without regular review, the transition can introduce hidden gaps, underscoring the need to revisit coverage and ensure it reflects how the [next generation will own, manage and protect family wealth](#).

>8000

single-family offices
worldwide — growing rapidly

30%+

rise in reconstruction
costs over five years

83%

of HNW clients plan
to increase coverage



Why a coordinated approach matters

Many high-net-worth families have built insurance programs over time as assets, businesses and responsibilities have evolved. However, those programs aren't always reviewed together.

As wealth expands across businesses, real estate, specialty assets and international holdings, risks become more interconnected. A coordinated review helps families identify gaps, reduce overlap and ensure coverage aligns with their full risk profile.

Gallagher's Real Estate & Hospitality and Private Client teams provide specialized risk expertise.

Five areas high-net-worth families benefit from reviewing

Most high-net-worth families work with experienced advisors and have structured insurance coverage in place. So, the question we hear most often is about how to determine whether everything is working together to ensure coverage continues to reflect how assets, liabilities and interests evolve.

The review often starts with five areas where gaps, overlaps or misalignment tend to appear.

1 Property valuations that may be out of date

Reconstruction costs have significantly increased over the past five years, driven by higher labor costs, material pricing and supply chain volatility. More precise valuation methodologies also reveal gaps that were previously less visible.

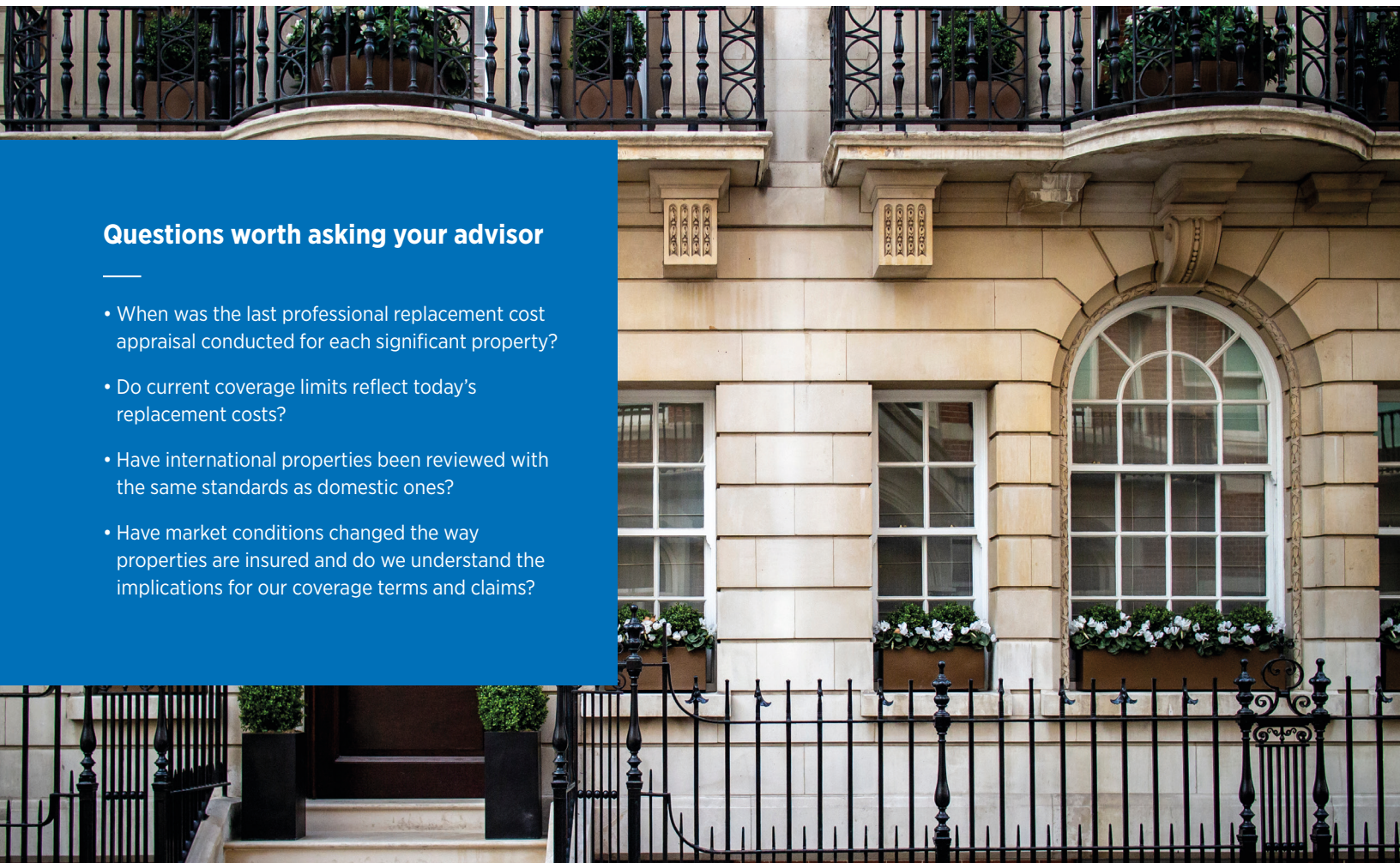
For architecturally distinct homes, historic properties or residences with bespoke materials and finishes, the difference between an older valuation and a current replacement cost can be significant. In some cases, it introduces six- or seven-figure exposure without being immediately apparent.

The goal is to ensure coverage aligns with how a claim would be settled. A current, professionally developed replacement cost estimate, paired with a clear understanding of policy provisions, helps provide greater predictability when a claim occurs.

For families with multiple properties, including international holdings, a consistent approach to developing and reviewing valuations is equally important.

Questions worth asking your advisor

- When was the last professional replacement cost appraisal conducted for each significant property?
- Do current coverage limits reflect today's replacement costs?
- Have international properties been reviewed with the same standards as domestic ones?
- Have market conditions changed the way properties are insured and do we understand the implications for our coverage terms and claims?





Suddenly, the stewards of high-value collectibles — objects they may not understand or even want — the next generation is left to grapple with the realization that their windfall will be a full-time job to preserve.

Patrick Cunningham
Private Client Advisor

2 Specialty assets that need regular review: Aviation, marine and collections

Specialty assets are often carefully evaluated when first acquired, then revisited less frequently than other parts of the risk portfolio. Over time, values change, ownership structures shift and exposures become more complex.

For aviation and marine, personal and business use can become intertwined, so a regular review helps ensure liability limits align with the broader umbrella and excess structure, and policies reflect how the asset is being used today.

Collections like fine art, jewelry and other high-value items require periodic appraisal and review as markets evolve. In most cases, the challenge is that the value of these assets hasn't been actively managed, or the sentimental value has been mistaken for market value.

Valuation drift is one of the most significant and often hidden risks. It typically goes unnoticed until it becomes a problem. It's common to encounter collections insured decades ago that have never been revalued or condition checked. An item scheduled on a policy 20 years ago may now be worth millions, yet the coverage hasn't kept pace because stewardship has lapsed.

Meanwhile, financial assets tend to receive consistent oversight. Portfolios are actively monitored, rebalanced and adjusted. By contrast, physical assets like art, wine, jewelry and collectibles often sit outside the traditional financial system and don't get the same level of attention. That gap creates real exposure: Values evolve, but the insurance coverage doesn't.

When these assets are reviewed in isolation, small inconsistencies can emerge. When they're reviewed in the context of the full program, those inconsistencies tend to be straightforward to resolve.

Questions worth asking your advisor

- Have all specialty asset values been updated in the last 12 months?
- Does aviation or marine coverage coordinate correctly with the umbrella structure?
- When were art and jewelry schedules last professionally appraised?
- If an asset serves both business and personal purposes, do we understand how protection would respond?

3

International assets and global mobility

Many high-net-worth families now operate across multiple jurisdictions. Properties, investments and family members often have an international footprint.

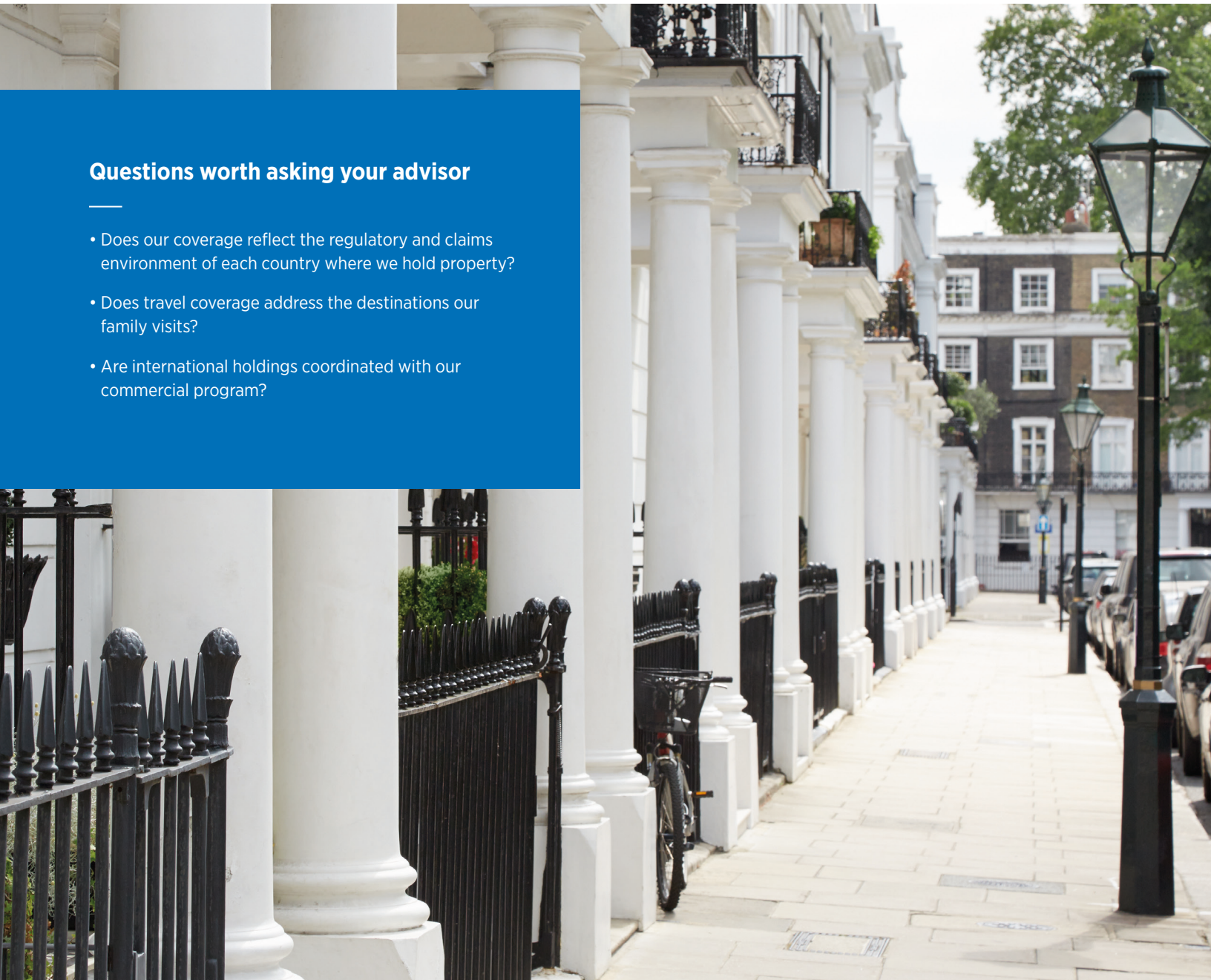
Standard personal insurance programs are generally structured on a domestic foundation, with international exposures layered in over time and managed by different advisors and policies. While that approach can work, it doesn't always account for differences in regulatory environments, claim processes and reconstruction costs across jurisdictions. It can also create administrative complexity when multiple advisors, insurers and jurisdictions are involved.

For example, rebuilding timelines, contractor availability and insurance requirements can vary significantly by region. Without local expertise, coverage may technically exist but not perform as expected.

A coordinated approach combines global placement capabilities with local market insight, helping ensure coverage reflects local risks and supports a holistic insurance solution.

Questions worth asking your advisor

- Does our coverage reflect the regulatory and claims environment of each country where we hold property?
- Does travel coverage address the destinations our family visits?
- Are international holdings coordinated with our commercial program?



4 Cyber, privacy and personal security

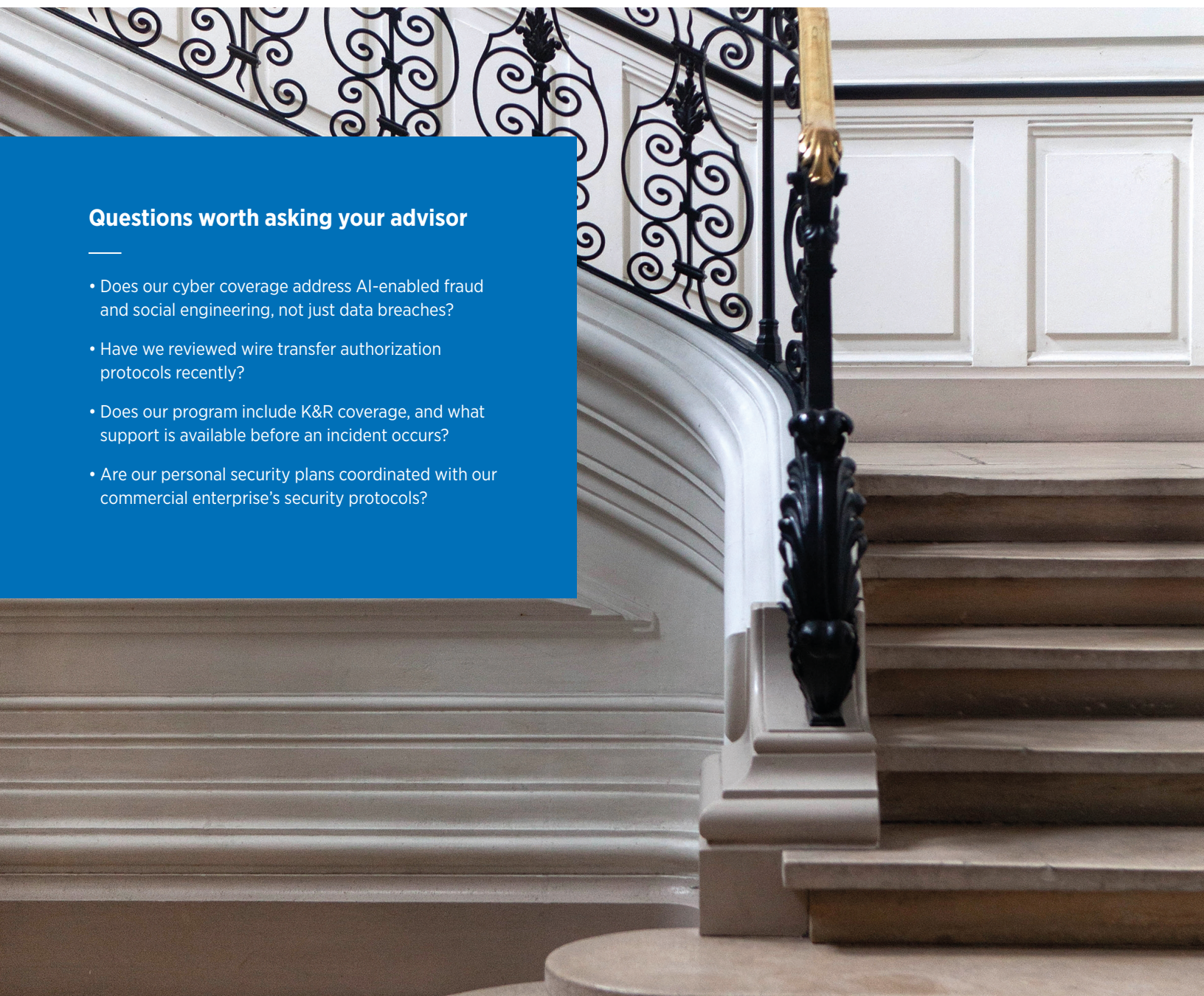
The nature of cyber risk for high-net-worth families has become more targeted and personal. Threats such as social engineering, AI-enabled voice fraud and account takeovers are sophisticated and evolving rapidly.

Physical security considerations have expanded. A family's business interests, real estate holdings or public profile can influence personal risk in ways that aren't always immediately apparent and extend beyond traditional insurance.

These risk exposures are connected. Information that makes a family easier to find online can enable a cyber incident and create a pathway to physical security risks, such as travel patterns that show when family members are away and property details that reveal where they spend their time. Managing cyber, privacy and personal information together ensures both personal and professional aspects are protected. Coverage is an important component, but stronger outcomes also depend on practical protocols, response planning and clear coordination among the advisors who support the family's cyber and personal security, as well as their wider risk strategy.

Questions worth asking your advisor

- Does our cyber coverage address AI-enabled fraud and social engineering, not just data breaches?
- Have we reviewed wire transfer authorization protocols recently?
- Does our program include K&R coverage, and what support is available before an incident occurs?
- Are our personal security plans coordinated with our commercial enterprise's security protocols?



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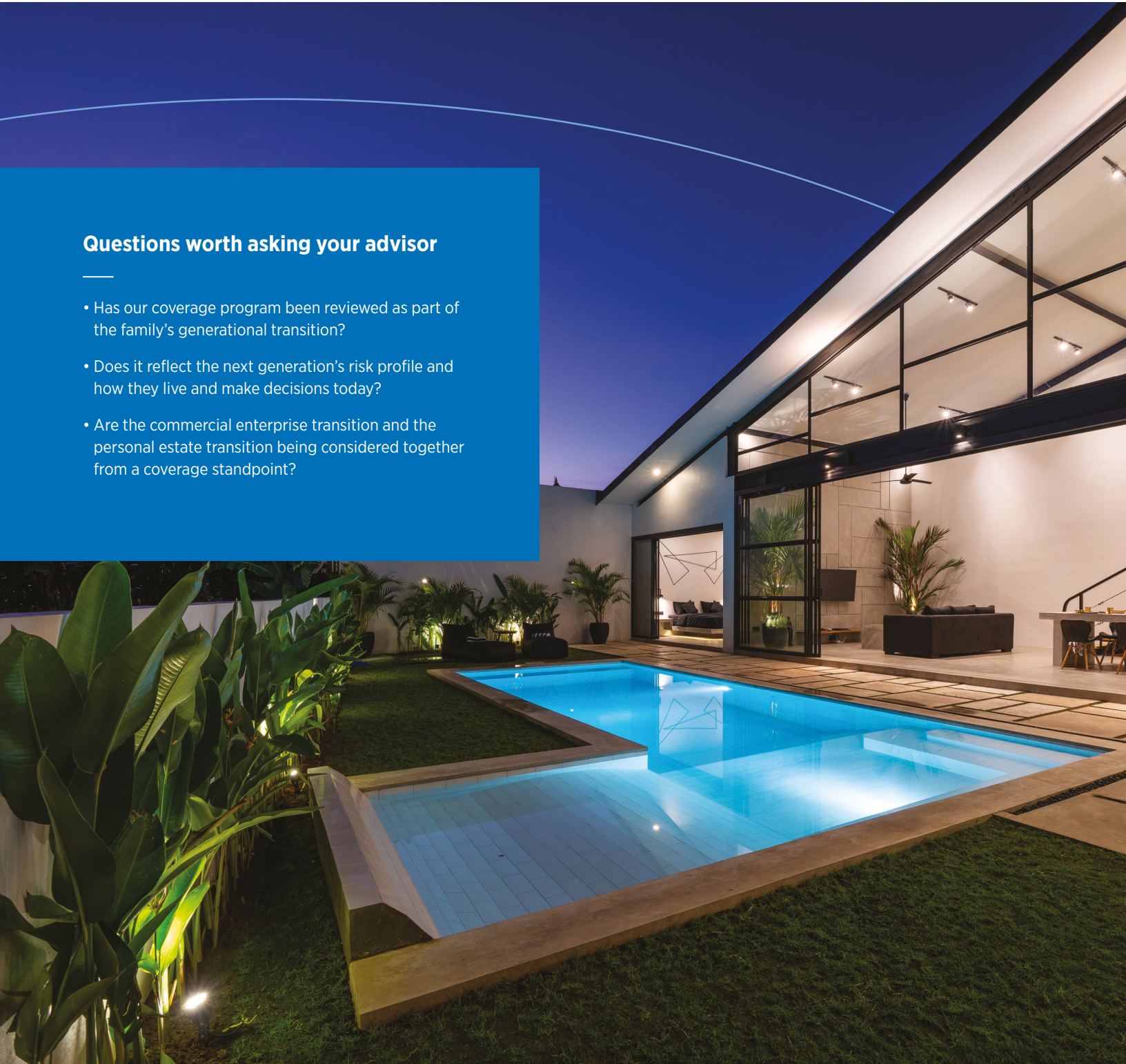
Coverage planning for generational transition

Insurance programs are often passed down along with the assets they protect. As ownership and family priorities evolve, they aren't always reviewed and recalibrated to reflect these changes. Over time, a structure that was once well designed may no longer fully align with the family's current lives and how they operate.

Approaching coverage as part of the broader transition planning process allows families to design programs intentionally. It supports continuity while giving the next generation a program that reflects their roles, responsibilities and approaches to risk.

Questions worth asking your advisor

- Has our coverage program been reviewed as part of the family's generational transition?
- Does it reflect the next generation's risk profile and how they live and make decisions today?
- Are the commercial enterprise transition and the personal estate transition being considered together from a coverage standpoint?





Align commercial risk and personal programs

Many high-net-worth families have well-developed commercial and personal insurance programs. However, these programs are often reviewed separately, even when the underlying risks are closely connected.

A commercial broker may focus on real estate portfolios, operating companies and executive risks, while a personal advisor oversees residences, vehicles, collections and umbrella coverage. Both may provide valuable guidance within their areas of expertise, but neither always has a complete view of the family's overall risk profile. Some of the most significant exposures can sit between these two perspectives.

In many cases, commercial and personal programs have evolved independently over time, making it harder to identify risks that span multiple assets, entities or areas of responsibility.

For families whose personal assets, real estate holdings and business interests are closely linked, a more coordinated approach can help reveal vulnerabilities that might otherwise go unnoticed.

In practice, these risks can include executive liability tied to family-controlled entities, operational exposures within family office activities, travel accident and health considerations for globally mobile family members, and kidnap and ransom (K&R) risks in certain jurisdictions. Although these issues are often managed separately, they can have implications across multiple areas of a family's risk profile, reinforcing the value of a coordinated approach.

REAL ESTATE & HOSPITALITY

Your portfolio, your properties, your business risk.

Commercial property, liability, D&O, environmental and hospitality-specific programs represent the full commercial risk program for your real estate enterprise.

PRIVATE CLIENT

Your home, your family, your lifestyle.

Residences, automobiles, aviation, marine, collections, cyber, K&R, travel and captive structures represent the full personal and specialty risk program for your family.

Together: One coordinated view of your family's complete risk picture.

Where personal and commercial risks can overlap

Consider a family whose principal leads a significant real estate and hospitality enterprise. The commercial program covers the business and property portfolio, while the personal program covers residences, lifestyle assets and personal liabilities. The distinction may appear straightforward until the lines between those interests begin to blur.

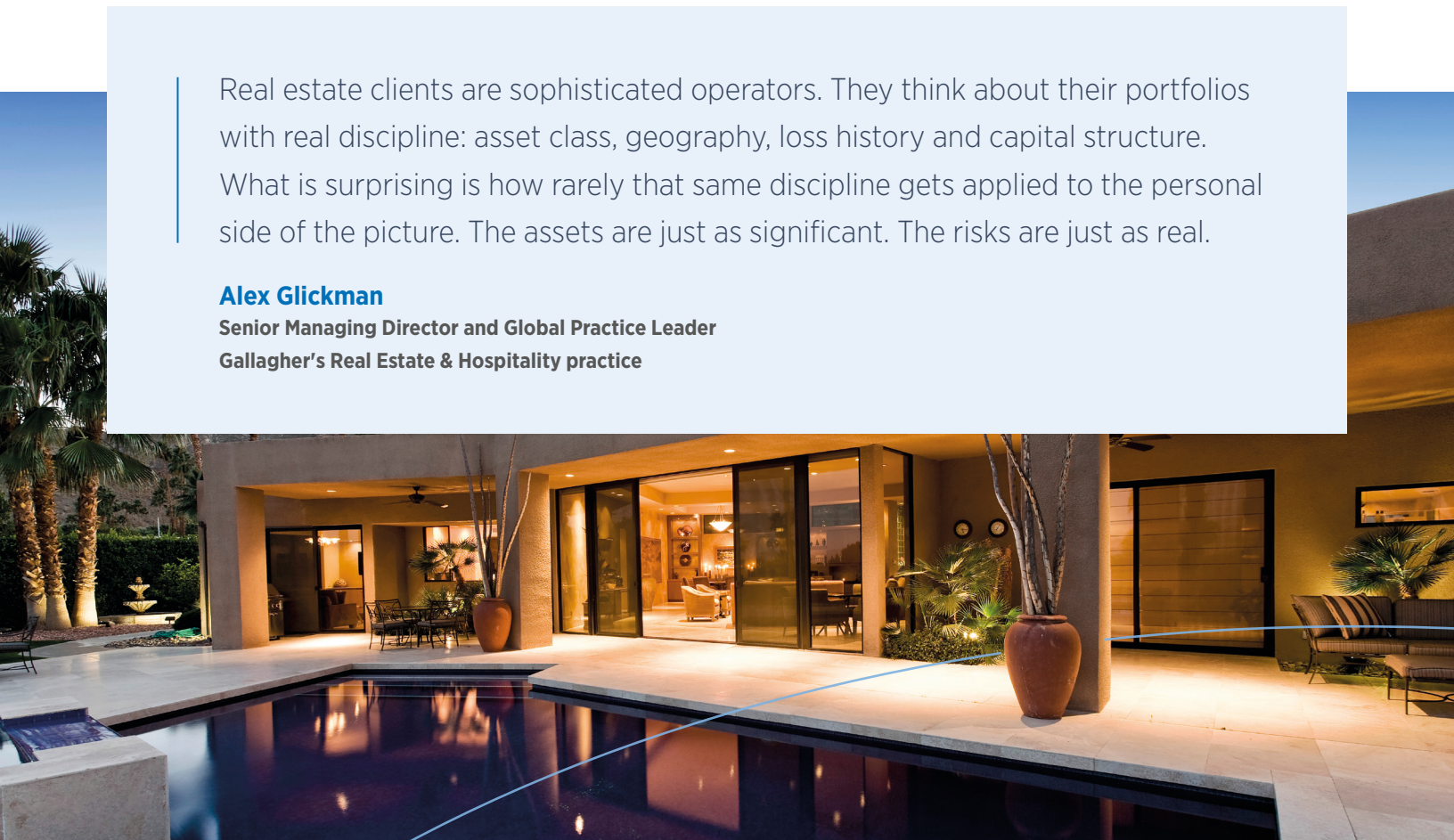
Questions often emerge:

- **A vacation property purchased through a personal LLC**
Does the ownership structure create exposures that extend beyond a traditional personal insurance arrangement?
- **An aircraft used for both business and personal travel**
Have liability exposures been evaluated across all uses, and does coverage align with how the aircraft is actually operated?
- **A family member serving on the board of a portfolio company**
Have potential governance and liability exposures been evaluated from both a personal and commercial perspective?
- **International property held as a personal investment**
Have local regulatory, liability and insurance considerations been fully addressed?
- **A cyber incident impacting both personal accounts and business operations**
Are response plans, resources and coverage aligned across both environments?
- **Family members and executives operating and traveling internationally**
Do support services, risk management resources and insurance protection reflect the realities of global mobility?
- **Advisory and operational activities within the family office**
Have potential professional liability exposures, like E&O, been evaluated across entities and individuals?

Real estate clients are sophisticated operators. They think about their portfolios with real discipline: asset class, geography, loss history and capital structure. What is surprising is how rarely that same discipline gets applied to the personal side of the picture. The assets are just as significant. The risks are just as real.

Alex Glickman

Senior Managing Director and Global Practice Leader
Gallagher's Real Estate & Hospitality practice





Coverage that serves the whole family

The family office model exists because financial, operational and personal interests are rarely separate. The same principle applies to insurance. For high-net-worth families, exposures often span businesses, real estate, specialty assets and multiple jurisdictions. A coordinated approach helps ensure these risks are considered together.

Commercial real estate and enterprise risk

For families with significant real estate and hospitality portfolios, the commercial program forms a central part of the broader risk structure.

This typically includes property, general liability, business interruption, environmental liability and executive risk coverages such as D&O. These programs are often sophisticated and well-managed. However, they aren't always evaluated in the context of the family's personal exposures.

For example:

- Ownership structures may overlap with personal entities.
- Family members may have roles across portfolio companies.
- Capital structures and guarantees may introduce personal liability considerations.

Ensuring alignment between the commercial program and the family's personal coverage, particularly umbrella and excess liability, is critical. Without that coordination, exposures can sit between programs rather than within them.

Personal property: Agreed value, specialist underwriting, regular review

For primary residences, secondary homes and legacy properties, the foundation of the personal program is accurate valuation and underwriting.

For high-value and architecturally distinctive properties, standard valuation approaches can fall short. Specialist appraisals that reflect current reconstruction costs — including materials, craftsmanship and regulatory requirements — help ensure that the policy's value reflects the reality of restoring the property after a loss.

Equally important is how coverage is structured. Policies written on an agreed-value basis provide greater certainty at the time of loss, particularly compared with coinsurance-based approaches.

For families with multiple properties, consistency across valuations, carriers and policy structures helps ensure that each asset is protected in a way that is clear, comparable and predictable.



Specialty assets: Current values, coordinated limits

Aviation, marine, fine art, jewelry and collections require specialist expertise beyond a generalist-standard coverage review.

These assets introduce unique underwriting considerations, including how they're used, stored, transported and valued. These factors change over time. An aircraft that was once used mainly for business may transition to personal use or vice versa. Collections may grow in both size and financial significance.

Keeping valuations current is essential, but only one part of the picture. Liability limits should also reflect how the asset is used today to align with the family's umbrella and excess coverage.

When specialty assets are reviewed as part of the full family risk program, inconsistencies are easier to identify and resolve — and coverage tends to perform more predictably. When treated as standalone policies, those same small disconnects can create disproportionate exposure.

International: Coverage that follows the family

As families become more global, insurance programs must adapt accordingly.

Properties, investments and family members may span multiple countries and jurisdictions, each with different regulatory requirements, claims practices and rebuilding realities.

A program designed for domestic exposure may extend internationally, but it doesn't always translate effectively without local expertise. Rebuilding timelines, contractor availability and claims processes vary by region.

A coordinated international approach helps ensure coverage performs locally as well as globally. This includes access to regional markets, regulatory alignment and local claims expertise.

Alternative structures for families seeking control

For families with significant premiums and a well-understood risk profile, alternative structures such as captive insurance can offer advantages.

These structures allow families to:

- Retain a portion of their risk in a controlled way
- Access reinsurance markets more directly
- Address exposures that may be difficult, inefficient or costly to place in the traditional market

While not appropriate for every family, [captives](#) and similar structures allow families to take a more active role in shaping their insurance program. The risk-and-reward mechanism of a captive also appeals to different generations within a family office, offering greater control, flexibility and long-term planning value beyond a traditional homeowner's policy.

When integrated thoughtfully, these programs can complement traditional coverage and give families more flexibility in managing risk over time.

A coordinated view of family risk

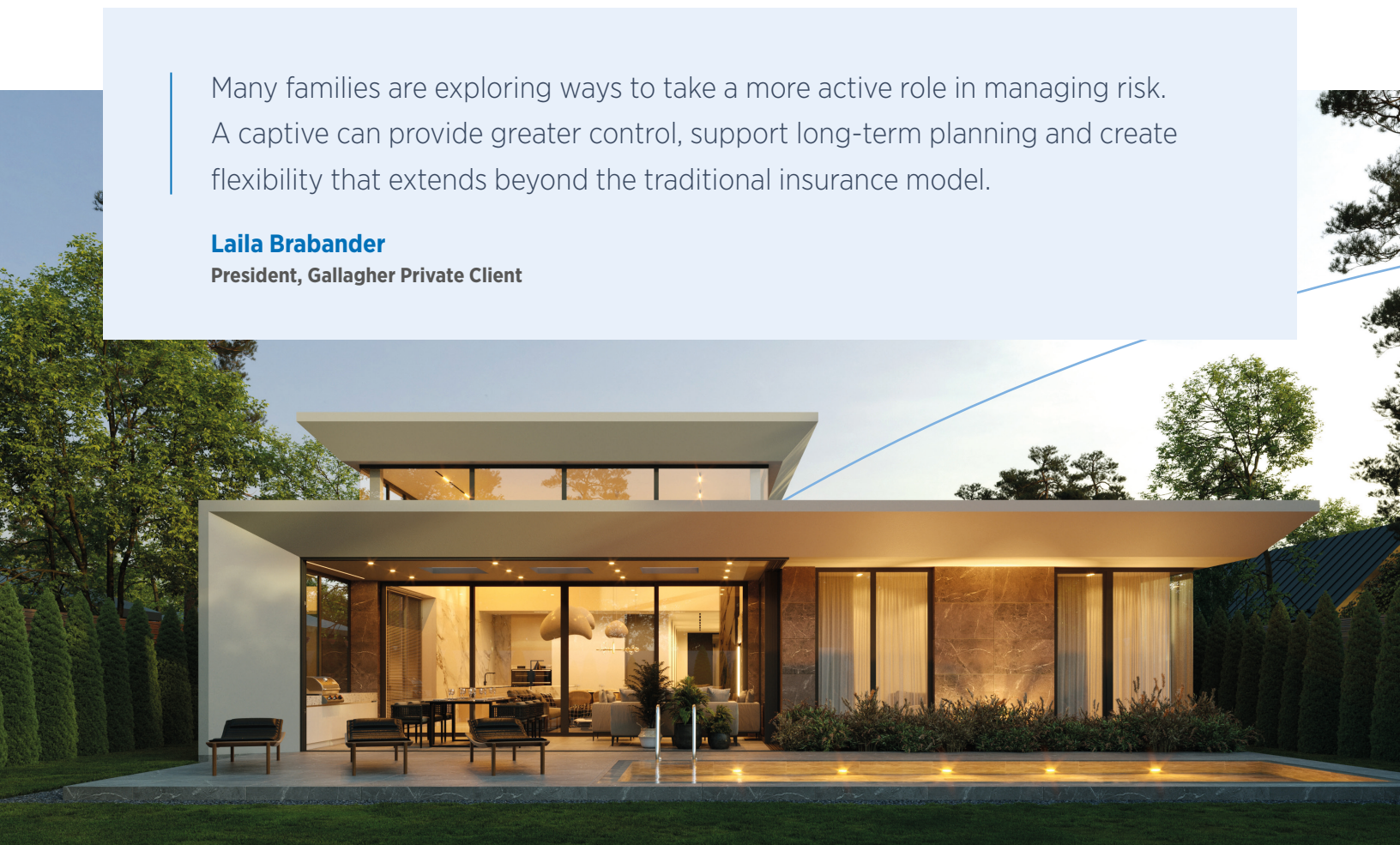
When these elements are managed within a single framework, coverage becomes part of a more coordinated insurance strategy that reflects how the family lives, operates, and manages wealth across business and personal interests.

Commercial and personal exposures are aligned, while specialty and international risks are incorporated intentionally. Advisors can make decisions with a clear understanding of the family's overall risk profile. Insurance, then, becomes a coordinated strategy that helps protect the enterprise, preserve wealth and support long-term family objectives.

Many families are exploring ways to take a more active role in managing risk. A captive can provide greater control, support long-term planning and create flexibility that extends beyond the traditional insurance model.

Laila Brabander

President, Gallagher Private Client



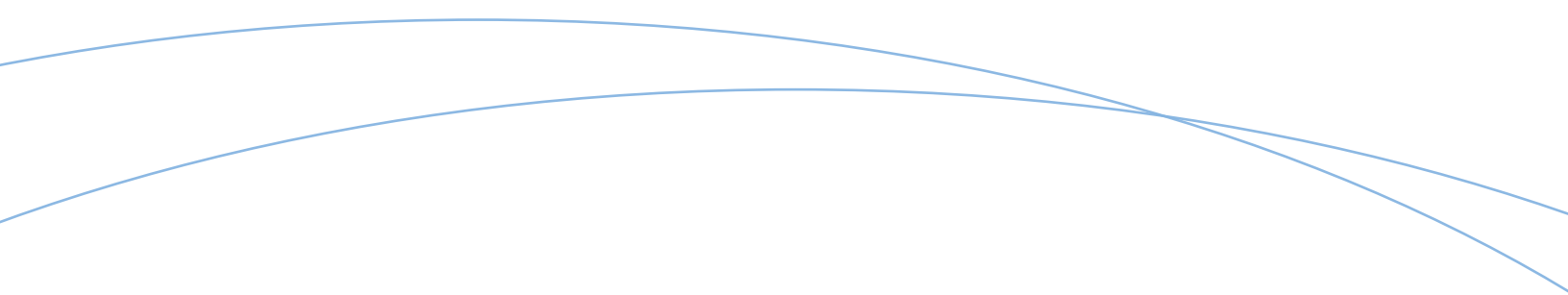
Five conversations to have with your advisors

Families often feel most confident in their risk strategy when they understand how their program works across personal and commercial dimensions and can test that understanding through focused, practical conversations with their advisors.

The gaps often appear when different parts of a family's program are handled separately, without a clear view of how they work together.

For families with complex assets and long-term objectives, the priority is to build a program that works as a whole — one that reflects the family's structure, the nature of the enterprise and the priorities shaping its future.

The conversation	What you're looking to understand
Request an integrated risk review	Ask a single advisory team to map the full commercial, personal and specialty coverage together. The goal is to understand how the program works as a whole, where liability flows across entities and where gaps may exist between policies.
Review property values against today's rebuilding costs and updates comprehensively	Commission current replacement cost appraisals for all significant properties, including international holdings. Confirm the values on the policy and how coverage would respond in practice if a major loss occurred under current policy structures.
Connect cyber, privacy and personal security planning as a combined exposure	Evaluate insurance, internal protocols and response planning together. Focus on real-world scenarios such as AI-enabled fraud, account compromise and coordinated threats that affect personal and business systems.
Assess whether international coverage works locally	For each country and jurisdiction where the family owns property or spends significant time, confirm that coverage reflects local regulatory requirements, rebuilding conditions and claims practices. Ensure policies are structured to perform in that specific location.
Align coverage with generational and structural change	As ownership, leadership and family responsibilities evolve, review whether the insurance program design still reflects the next generation's roles, responsibilities and risk profile. It should reflect both business interests and personal assets.





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