



Trusts and LLCs

Why it's important to tell your insurance agent if you put your assets in a trust, LLC or other entity

Building wealth takes time but losing it can happen in the blink of an eye. More and more people are choosing to protect their wealth by using asset protection trusts or limited liability corporations. Trusts are among the top ten estate planning techniques according to the American Academy of Estate Planning Attorneys. To accommodate for the rise in use of these among Americans, residence trusts or LLCs have been added to the definition of insured under our optional protection endorsement.

How you may be at risk

Bob and Sue own a primary home and a secondary home they use as a vacation house. Both homes are paid for and have been deeded in their individual names. Recently, while meeting with a financial planner, the suggestion was made to create a trust and deed both homes in the name of the trust. They move forward with making the change and within a few weeks the papers have been signed and both homes now have ownership under the Bob and Sue Family Trust. Neither Bob nor Sue thinks to call their insurance agent; these aren't new homes, and the exposure hasn't changed, so they assume no action needs to happen. Several months later, a fire starts in the dryer in the laundry of their secondary home. The claim is fairly large. The agent discovers the change in home ownership while the claim is

being processed by the insurance carrier. The Bob and Sue Family Trust is not an insured under their policy. It looks like coverage may be denied. Now what?

How Nationwide Private Client responds

Listing a trust or LLC as the named insured (policyholder) may potentially limit coverage for the individuals who reside in the property. For instance: the named insured (policyholder) on the policy receives worldwide liability coverage, whereas additional insureds receive premises-only liability for ownership, maintenance and use of the residence premises. To respond to such needs, Nationwide Private Client makes the following options available to help ensure proper coverage for you as well as the personal trusts and/or LLCs having ownership in a residence.

Option 1: Add our protection endorsement to your policy so that trusts and LLCs owned by you, with a financial interest in the residence premises, will automatically be included as an insured for coverage A (dwelling), coverage B (other structures), and coverage E (personal liability).¹

Option 2: Add the trust or LLC to the policy through an 'additional insured' endorsement. This will allow for the proper worldwide coverage for you (policyholder) and proper location-centric coverage for the trust or LLC.

Why it's important for you

It's important to prepare for the unexpected. Talk to your insurance agent about whether or not you are adequately protected if you have put your assets in a trust, LLC or other entity.

Nationwide Private Client offers these added benefits:

- Automatic coverage for your trust or LLC under our protection endorsement.
- Adding our protection endorsement to your homeowners policy not only addresses trusts and LLCs, it also provides additional value-added coverage to help protect your household, your assets and your reputation.
- Exceptional claims handling provided by Nationwide Private Client.
- Nationwide, a Fortune 100² 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.³

- 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. Nationwide Private Client continues to demonstrate this core value through its Partners in Giving program, helping numerous lives each year.

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 claim management 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 Limited to the residence liability/limited to the premises.

²Based on revenue, Fortune (June 2015).

³Ratings affirmed 9/12/13 by Moody's, 4/2/14 by A.M. Best, and 5/13/14 by Standard & Poor's.

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Each claim is handled on the basis of its individual facts and circumstances and in accordance with policy language, including applicable exclusions, conditions and limitations. Insurance overview is for informational purposes only and does not replace or modify the definitions and information contained in individual insurance policies, their endorsements or declaration pages, which are controlling. Terms and availability vary by state and exclusions apply. Products underwritten by Nationwide Mutual Insurance Company and Affiliates, including Crestbrook Insurance - Columbus, OH. Nationwide Private Client, Nationwide, the Nationwide N and Eagle, and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company. © 2015 Nationwide PVR-0431AD (11/15)

