

The Affluent Underestimate Security Risk

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NEW YORK —Personal security should be a major concern for the affluent, but many underestimate their need for protection, explained an insurer that is providing its policyholders with free security consultations.

Warren, N.J.-based Chubb Group of Insurance Companies and security consultants Risk Control Strategies (RCS) sponsored an open house at RCS' headquarters here in Manhattan yesterday.

The event was aimed at informing insurance brokers, risk managers and wealth managers about the security capabilities of RCS and the many crime risks their wealthier clients face.

"Some people are very concerned about their security, and others are not concerned at all," said Paul Michael Viollis Sr., chief executive officer of RCS. "The concern is very polarized. Rarely do you find anyone in the middle."

Realizing that the wealthy clients Chubb insures are exposed to risks not experienced by typical homeowners, the carrier associated itself with RCS three years ago to provide affluent and ultra-affluent clients with security oversight for their wealthy lifestyle.

"Some customers understand, like investment bankers and others in finance, the need for security and want to discuss it," explained Peter A. Flynn, vice president, personal lines manager for Chubb. "But many don't realize the need and they need to be informed."

Chubb offers insureds paying more than \$15,000 in premium access to the consulting services of RCS as part of its affluent client coverage at no extra charge.

Mark Schussel, a Chubb spokesman, said that in many cases the needs of its other, less affluent customers are addressed by the company's appraisers who visit the client's homes and can help assess risks and provide loss prevention guidance. If they need additional security-related guidance, "we would gladly refer them to RCS, which would charge them an appropriate fee."

What Chubb's clients get from RCS is an analysis covering technology, home, travel, business and personal security.

Clyde R. Widrig, RCS senior managing director of technical surveillance counter measures, displayed a wide variety of electronic threats clients could face every day.

Mr. Widrig, whose background includes 40 years experience with the Los Angeles Police Department and FBI, explained how easy it is to obtain and plant listening devices and cameras in a home or office. Many eavesdropping devices are easily and affordably purchased off of eBay and about 100 to 200 are purchased each week, he said.

People may believe that their homes and businesses are secure, but security sweeps by RCS uncovers eavesdropping devices somewhere between 5-to-6 percent of the time, he reported.

Matt Thirtein, RCS western regional director of physical security, explained how a home can be made secure with an array of technology that detects and follows intruders. Those systems, he said, can be overt or covert, but all are aimed at making the family residence or vacation spot secure.

All of this electronic security is tied into RCS cyber-security systems that monitor the client's electronic and computer systems at home and abroad to detect intrusions or invasions of a client's privacy, explained Paul J. Frank, managing director, and Scot Braunzell, senior managing director and practice leader, both with the cyber-security practice.

They said RCS monitoring is not limited to clients but also collects data from around the world to alert insureds to threats that might affect their personal security.

RCS said their electronic security is not complete without the old-fashioned gum shoe investigative services headed by Diane T. Ort, managing director of intelligence and security.

Deep screening the background of the people associated with a client, whether they be an accountant, money manager, babysitter, construction worker or event caterer, is extremely important to avoiding a crime in the home, she noted.

Ms. Ort, a former officer of the New York Police Department, said 80 percent of home invasions are committed by people who had been in the home in some capacity at some time in the past.

"People don't think it is going to happen to them, but it does," she said.

Her section does a thorough background investigation of individuals working for the client and will also address other security risks, such as providing a risk profile about a planned vacation spot.

What differentiates an RCS background check, said Mr. Viollis, is that it is thorough and takes time to complete. "If someone promises to get you a background check in 24 hours, don't walk, run away. It is as worthless as the paper it is written on," he advised.