

## PERSONAL INSURANCE

# Trusts & Limited Liability Companies

## High-level Overview



Trusts & limited liability companies (LLCs) are legal structures used to manage assets. However, they differ significantly in purpose, structure and functionality.

### Trusts Overview

- Typically used in estate planning
- Assets are distributed to beneficiaries
- Provides tax advantages
- Helps avoid probate
- Grantor creates the trust
- Trustee manages the trust
- Beneficiary receives the benefits of the trust
- Manages charitable donations

### LLC Overview

- Provides liability protection for its owners and members
- An entity owned by one or more members
- Usually has an operating agreement
- Allows flexibility in taxation and management
- Owns the assets of the LLC
- Shields personal assets from business debts or lawsuits
- Holds real estate



When insuring a trust or LLC, it is important to gather information and take the following steps to help secure adequate coverage:

- Acquire full name and address of trust/LLC
- Determine who the members are and what their roles are
- Most carriers will send a questionnaire for completion to ensure it is not set up for business purposes and are solely to shield from a tax/liability standpoint
- Determine if the trust/LLC is listed as an additional insured, granting both the customer and the entity liability coverage



## How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our risk mitigation strategies and how we can aid your business in building a cost-saving personal insurance program.



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