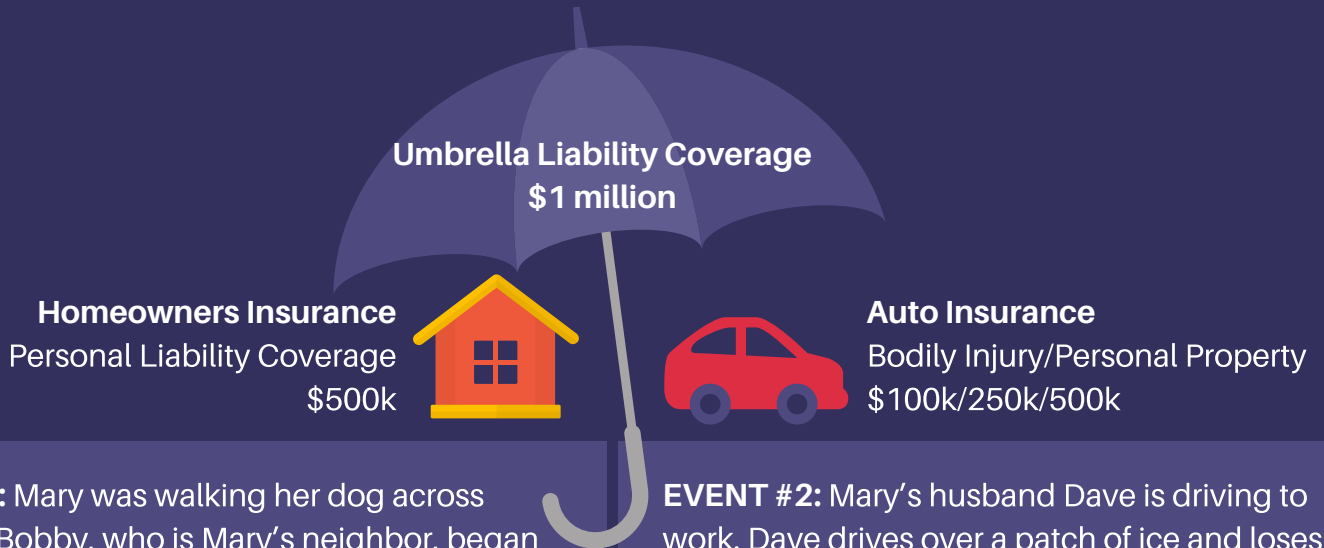


Protecting Yourself with Umbrella Coverage

Quickly defined, an Umbrella Policy sits on top of your other insurance to protect you from liability after a significant accident. **Here's a quick example:**



EVENT #1: Mary was walking her dog across the street. Bobby, who is Mary's neighbor, began to taunt the dog which resulted in a serious bite. Bobby sued Mary for bodily injury and loss of income from missing work which resulted in a settlement of \$700k (excluding legal costs).

RESULT: The first \$500K of the settlement will be covered by Mary's Homeowners policy. An additional \$200K would be covered by the umbrella liability coverage.

EVENT #2: Mary's husband Dave is driving to work. Dave drives over a patch of ice and loses control of the vehicle hitting a car with 3 individuals. The vehicle also hit the side of a storefront. Total property damage is \$150K and the passenger's medical bills are \$600K.

RESULT: The auto policy in place covers \$250K of bodily injury/person with a maximum of \$500k per accident. As such, Mary's insurance will cover only \$500K of the bodily injury and \$100K for property damage. The remaining \$150K will be covered by the umbrella liability policy.

WHAT WOULD HAPPEN IF MARY DID NOT HAVE AN UMBRELLA?

- In Event #1, Mary & Edward would have to pay \$200K out of pocket.
- In Event #2, Mary & Edward would have to pay \$150K out of pocket.

An Umbrella Policy can shield you from catastrophic risk, which is why it's so important to have. It's an efficient and low-cost way to increase your general liability coverage on multiple risks (primary home, vacation home, automobile, boat, etc...) without having to increase each individual policy's primary coverage.

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