

Insurance Corner: Filling the Liability Gaps – Personal Umbrella Insurance

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In a previous article, we discussed auto liability and an example that left our insured, Suzy, responsible for \$60,000 of damages from the accident she caused. In that article Combined Single Limit (CSL) coverage was referenced as an option, but is there any other way Suzy could have been covered?

The personal umbrella policy provides coverage beyond your primary policies policy by adding an extra layer of liability coverage. Your primary policies are auto, home, watercraft, or recreational vehicle.

Today the news is brimming with lawsuits, trials, and the financially devastating results of an unfavorable ruling. People are losing their homes, autos, and even having their wages garnished as a result of an accident. Despite the sue-happy mantra of our society there is good news. The personal umbrella policy can help to fill some of the liability gaps in our everyday life.

A typical personal umbrella policy has three distinct features:

- A coverage limit that extends over the liability of your primary policies

- Libel or slander coverage

- Defense costs – hiring an attorney, legal fees, etc.

Personal umbrella policies range from one to five million dollars of coverage and typically have a deductible, known as a self-insured retention. There are many factors that go into determining the limit of coverage appropriate for you and your family, and I encourage you to consult an insurance professional when making this decision. In the end, you must ask yourself, do I *really* have enough liability coverage, and am I *really* willing to take the chance by assuming I do?