



Personal Risk Management

Your Personal Liability and Financial Security

You don't have to be a millionaire to be sued like one. That's why excess liability coverage – often called a personal umbrella – should be an important part of your insurance portfolio. Protect yourself, your family, your assets, and your future income, and finally enjoy peace of mind.

What is Personal Excess Liability Coverage?

Personal excess liability coverage – often called a *Personal Umbrella* – is a form of personal insurance that provides liability coverage for damages for which you or members of your household may be legally responsible.

A personal excess policy extends your liability protection beyond the primary policy limits of homeowners and automobile coverage, and it may be obtained once your home and auto insurance policies meet a minimum “attachment point” (typically, a liability limit of \$250,000 or \$500,000).

Why Might I Need Personal Excess Liability Coverage?

A personal excess policy is an essential part of an insurance portfolio, especially for those with large assets to protect. It helps reduce your financial risk and protect your financial security.

The personal liability offered through your homeowners or automobile policy may not be enough to protect you or your loved ones from costly accidents. While no one wants to think that a small action or oversight could escalate to serious levels, it happens more than you would think. And remember, you don't have to be a millionaire to be sued like one.

How Does Personal Excess Liability Insurance Protect Me?

Such policies provide key elements of coverage. The highest quality insurance underwriters (Chubb, Fireman's Fund, and AIG) provide the best protection, with coverage such as:

- **Personal injury:** Applies in the event you are liable for someone being injured on your property. Includes mental anguish, false arrest, wrongful entry/eviction, malicious prosecution, libel, slander, defamation of character, invasion of privacy or negligent infliction of emotional distress.
- **Bodily injury:** Includes physical injury or death - in some jurisdictions, this includes emotional injury.
- **Property damage:** Includes destruction of the property of others, cost of recreation, and loss of use. (Important to note is that a personal excess policy *does not* provide coverage for your own property, such as not having sufficient limits to cover a homeowners loss.)
- **Defense coverage:** Includes groundless, false, and fraudulent suits, loss of earnings, bail bond costs and other reasonable expenses if the circumstances of a lawsuit are covered. Most companies limit the amount of money associated with the cost to defend a lawsuit. With Chubb, AIG, and Fireman's Fund, the defense costs are *unlimited* – even if the cost exceeds the stated policy limit.

- **Not-for-profit directors and officers coverage:** This coverage applies in the event you are personally liable for personal injury or property damage resulting from your participation on the board of a not-for-profit corporation or organization.
- **High Limits:** Chubb, AIG, and Fireman's Fund have the capacity to offer coverage ranging from \$1 million to \$100 million.

Additional forms of coverage include:

- **Uninsured/Underinsured motorist protection:** Provides higher limits for uninsured/underinsured coverage and/or property damage from an uninsured driver.
- **Employment-related lawsuits:** It is not uncommon for domestic staff such as nannies, housekeepers, private assistants, gardeners and other domestic staff to take their employers to court citing claims of wrongful termination, sexual harassment and discrimination.

How Much Liability Coverage Do I Need and How Much Will It Cost?

The amount of coverage you choose depends on your individual requirements. A good question to ask yourself is: how much do I have to lose in the event of a lawsuit? Financial advisors often advise their clients to match their coverage to their net worth.

While your premium depends on the number and location of residences, automobiles, watercraft, and other items you own, as well as the liability limits you choose, you'll be surprised at how affordable it is to have peace of mind. For example, a \$1 million excess liability policy could cost only a couple hundred dollars per year.

How Can I Learn More About Personal Excess Liability Coverage?

MacCorkle Insurance Service specializes in consulting with sophisticated clientele and protecting their unique risks. Contact MacCorkle Insurance Service at 650-349-2364.