



Umbrella Insurance/Excess Liability

Households with significant assets are often unknowingly at risk of liability lawsuits that could threaten their net worth, future income, and well-being. While homeowners, condominium/cooperative owners, and those with cars have coverage on underlying policies, there is rarely more than \$300,000 or \$500,000 of coverage. Adding Excess Liability, or Umbrella coverage as it's widely known, on top of existing insurance policies accomplishes the prudent approach to protect current and future assets. Under the widespread doctrine of joint and several liability, individuals can be held responsible for 100 percent of damages even if they are found only 1 percent at fault.¹

Why Do I Need Excess Liability coverage?

People should consider the following characteristics when deciding how much coverage to carry:²

- High net worth
- Prominent public profile
- Own one or more residences
- Has one or more dogs
- Children who are driving or away at school
- Swimming pool on premises
- Planning a major renovation to a property
- Equine exposure
- Residents who blog, tweet, or post comments or photos online
- Employ domestic staff

How Would the Coverage Protect Me?

The policy would add coverage once the liability coverage limits on your home, auto, watercraft, or any other type of underlying policy is "exhausted." Liability claims are often the most significant in the industry and we have seen firsthand how important the coverage is to clients. For example, this New York Times article helps explain in more detail how the coverage works and how important it was for our office to offer coverage. More concisely organized are further bullets below which explain the coverage options:

- Up to \$150 million in excess liability / umbrella coverage for bodily injury, personal injury, and property damage liability
- Legal defense costs, which can run into the hundreds of thousands of dollars, are covered in addition to the liability limit
- Private Counsel & Reputation Damage Control
- Worldwide coverage (Ex. – coverage for rented or borrowed vehicles)
- Up to \$10 Million for uninsured/underinsured coverage for injuries sustained
- Employment Practices Liability coverage for lawsuits brought by domestic staff

Who Offers the Coverage and Are Certain Insurance Companies Better than Others?

There are many independent insurance companies which offer excess liability / umbrella coverage. That said, the best possible option for someone contemplating significant liability coverage is to speak with their insurance agent/broker. At Gallagher Private Client, we firmly believe in representing only the best carriers in the marketplace: Chubb, AIG, and PURE. These carriers offer these liability options and we are happy to discuss them with you during our Coverage Assessment Process.

¹ ACE Private Risk Services, PL-593 0315, "Umbrella Coverage: Essential for Protecting your Net Worth" - © Copyright 2015 ACE Private Risk Services ®. All Rights Reserved.

² Chubb Group of Insurance Companies, Form 02-01-0122 (Rev. 12/14), "Masterpiece Excess Liability Insurance" - © 2014 Chubb Personal Insurance.