



THIS MONTH'S QUIZ

HOW MUCH LIABILITY COVERAGE DO YOU HAVE IN YOUR
CAR AND HOME INSURANCE POLICIES?



WHERE TO FIND

Look at your annual insurance renewal for car and home insurance. Auto will be something like:

Bodily Injury – \$100,000/\$300,000

Homeowners will be similar to:

Personal Liability – \$100,000

For auto, if you have an accident, the first number is per person and the second number is per accident. So if you have an accident with multiple persons in the other car, your coverage is \$100,000 per person, with an overall maximum coverage of \$300,000.

WHY YOU MIGHT WANT TO CONSIDER AN UMBRELLA POLICY

If you have a large net worth, an auto accident where you are at fault could put your assets at risk. For example, if there is a judgment against you for \$1 million and your liability coverage is only \$100,000, you would have to pay the excess out of your personal funds.

An umbrella policy provides excess liability coverage—typically \$1 million—above your base coverage.

Most umbrella policies require liability coverage of \$300,000 in your base policies. So you would then be covered for \$300,000 + \$1 million or \$1.3 million in the event of an auto accident.

WHAT IS THE COST?

Umbrella coverage is very reasonable. For example, for my policy, the cost was only \$232. It is well worth the cost if you have significant assets that might be at risk.

WHERE DO YOU GO TO FIND AN UMBRELLA POLICY?

Contact the company that handles your auto and homeowners insurance for more information on the benefits of and/or setting up an umbrella policy.