

Increasing Need for Umbrella Liability Insurance

By Basil Housewright, Jr.

How much can you be sued for? It's limitless and just depends on how careless or bad the act was or lack of proper actions. Each day we hear of a new improper sexual action claim against persons. What if you were driving and texting and ran a red light and hit a school bus full of children and they were all injured. What if your child were charged with bullying at their school? What if your dog bit the neighbor's infant child? What if a neighbor's child broke their neck while playing in your back yard? What if your child (or you) texted an inappropriate photo of a friend to other friends? These types of things take place daily. In a flash everything you've worked hard for in your life – your home, your vehicles, and your family's security could be at risk. Why take this risk, purchase a personal umbrella insurance policy.

A Personal Umbrella Liability Insurance policy would be a method to protect everything for which you have worked so hard. It can give you additional liability insurance over the limits of your auto, homeowners, recreational vehicle, boat liability, and other personal liability insurance policy limits in \$1,000,000 increments. Many insurance companies will sell up to \$5,000,000 limits without specialized underwriting requirements. The cost of an umbrella policy is typically inexpensive in comparison to the amount of coverage offered and can often can be purchased for \$200 to \$300 a year per \$1M in coverage.

There is a catch though. The insurance company will require you insure all the underlying liability exposures to a specified minimum liability limit in order to qualify for an umbrella policy. The umbrella policy may also have exclusions and limitations, such as business related activities and exposures related to jet skis, jet sleds or other recreational vehicles. It is suggested you check the specific limitations with the company you propose to do business with. If there is no coverage in your homeowners, auto or other policy for a particular loss, the personal umbrella insurance policy may still provide coverage by at least maybe protecting you with a defense so you potentially could avoid managing you own claim and/or paying attorney's fees.

The Personal Umbrella Liability Insurance policy should provide coverage for legal costs, including representation by insurance company appointed attorneys, court costs, interest on judgments and premiums for necessary bonds. The chances of being sued for more than your automobile, homeowners, recreational vehicle or boat liability insurance policies may be small but if this were to happen it could prove to be a financial ruin for the rest of your life. Your current insurance coverage may not protect you against charges of defamation of character, invasion of privacy, libel or slander, but a personal umbrella insurance policy could by making sure your personal liability and umbrella insurance policy include Personal Injury Coverage to cover these exposures. With the rapidly expanding exposures from the use of the internet a lawsuit can happen to you just because of a thoughtless sharing of information or a misguided reply, comment, etc...

Many parents think first of lowering their automobile liability limits when their children first start to drive due to the increased costs associated with this new exposure. The reason for the substantial premium increase for insuring youthful drivers is the tendency for new, inexperienced drivers to have accidents, many of which result in serious damages and injuries. It would be advisable for parents to consider higher limits of automobile liability coverage and a personal umbrella policy when they have youthful drivers in their household to protect against this period of higher exposure. The more you own the more you have to loose. Consider a personal umbrella policy to give you and your family extra piece of mind.

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