



## **Umbrella Insurance Policies**

Insurance is basically protection. We pay annual premiums for specific amounts of protection for our cars, homes, and personal belongings. Auto and homeowner policies also usually include liability coverage for damages to the property of others and to cover you for injuries to yourself and others.

However, the liability coverage in many policies may not be sufficient if there is a very large claim against you. Additional protection can be found with an umbrella insurance policy.

Umbrella insurance policies are a special kind of "override" to your other insurance coverage. The word "umbrella" is used because of the special overall protection an umbrella gives you when it is raining. Usually offered at \$1, 3, and 5 million or greater face value, they protect your assets and your future earnings if an unusually catastrophic event happens. In these times, increased litigation and the high costs of advanced medical techniques demand that most people carry umbrella insurance protection. They cannot afford not to.

Nearly everyone has a story about someone losing his or her home or prized possessions due to the ramifications of some accident. As your net worth grows, so does your exposure to larger and larger claims against your finances, both net worth and future earning power.

The good news is that additional liability coverage is available. And, the cost of an umbrella policy is relatively low, often about \$125 annually for \$1 million policy and less than \$500 for \$5 million protection by the same company that carries your other auto and home protections.

As always, have a competent insurance professional review your needs, risks and exposure to determine what is best for your specific situation.