

Personal umbrella insurance policies are perhaps the most underutilized insurance product for families in the United States. This is an understandable result as most insurance buyers are usually more focused on cutting costs than they are on buying asset protection. In addition, many agents have been slow to make this an important policy to discuss when going over personal insurance issues with their clients. But the truth is that most families have several reasons for needing a personal umbrella policy that have occurred over time and the decision at any one time not to buy this important protection does not mean that you will never need it.

Let's take a quick look at what a personal umbrella policy is designed to do for you. Umbrella policies are insurance policies that provide an extra layer of liability protection over and above your personal auto insurance policy and your homeowners insurance policy. Most umbrella policies start with a minimum liability limit of \$1,000,000 but you can usually purchase limits on up to 5 or 10 million if that is what you want or need.

One determinant of your need for this kind of protection can be where you live. Those who live closer to metropolitan areas or areas where there are more wealthy people are at greater risk of being the target of a lawsuit. Ask any injury attorney out there if you should buy an umbrella policy, I doubt any of them would say no. The troubled economy of the past few years has also increased the number of people who are willing to sue you for mistakes that you may have made on the road. If you cause an accident and injure someone who has recently lost his or her job, or who may feel that his or her job is not secure, then you are now dealing with someone who has good reason to hire counsel to try and get as much as they can from you while they have a chance.

Changes in your life over time also can be big drivers of the need for an umbrella policy. Many families over time will experience both an increase in asset exposure and risk exposure. Let's take a look at them one at a time.

Asset exposure is simply the increase in the number and value of your assets over time that makes you a juicier target for a lawsuit. Most kids out of college have very few assets to lose. This is often a time in life when they select their auto insurance and perhaps even home insurance agent. Many may never change agents and they may not undertake a review of their policies for years and years. Over time though, they will accumulate assets that exceed the amount of insurance protection that they have on their auto and home insurance policies. Without proper updates, and perhaps the purchase of an umbrella policy, these families may be unaware that they are now putting up their equity in their home and their future earnings and

perhaps even their retirement accounts as protection against a bad auto accident. Buying an umbrella policy for a few hundred dollars a year would be a much better choice for them.

Increased risk exposure can also slip into a family's life without them being aware of it. The best example of this is the day your teenager gets his or her license. Now you have a driver with very little experience out on the roads with a car in your name and all of your assets on the line if they make a mistake. Imagine your 16 year old reading a text while hurtling down the highway at 70 miles per hour. This little scenario could really change your financial situation for the rest of your life if you haven't prepared for it with an umbrella policy. I know when my first child turned 16, I doubled the limit on my personal umbrella policy that day.

If your personal insurance portfolio does not include a personal umbrella policy, then please call our office today at 877-687-7557. We will be happy to help you analyze your needs and help you find the umbrella policy that leaves you with a feeling of comfort about the safety of your hard earned assets.