

## Why Everybody Needs Umbrella Insurance

Today, lawsuits are everywhere. Lawyers are awarding larger amounts of money than ever. Homeowners, auto, and watercraft policies have a limit on liability insurance. If an unfortunate accident should happen that is your fault, do you have enough liability insurance from your current policies to cover your costs for negligence? Since no one can predict how much a judge may award the injured person, umbrella insurance is not just for the wealthy anymore, but a needed protection for every policyholder.

Umbrella insurance is designed to give one added liability protection above and beyond the limits on homeowners, auto, and watercraft personal insurance policies. With an umbrella policy, depending on the insurance company, one can add an additional 1-5 million in liability protection. This protection is designed to “kick-in” when the liability on other current policies has been exhausted.

Liability insurance is the portion of a homeowners or auto policy that pays for expenses such as the injured persons medical bills, rehabilitative therapy, and lost wages due to the negligence of the at fault person. The liability portion of an insurance policy also covers a legal defense representative if the negligence would happen to land the at fault person in the court room. After adding up all of the medical expenses for the injured and the legal fees of the negligent person, the standard liability in one’s homeowners or auto policy is often not enough. Almost every state has financial responsibility laws that will hold drivers accountable for bodily injury and property damage resulting from car accidents and the at fault driver could be sued for the damage. Personal assets from the at fault driver could be seized resulting from a lawsuit. Similar laws are also in force for home and watercraft owners.

There is good news. A personal liability umbrella insurance policy can give one added liability protection without a large added cost. Additional liability insurance is often inexpensive, especially compared to the added coverage one gains. Furthermore, liability insurance covers one’s non-business activities anywhere in the world. Having the added protection of a liability umbrella policy is coverage no one should go without.