

Additional Information

Successful people often share a common trait: Optimism. We meet with people daily who dreamed the impossible dream, and though there were some bumps along the journey, their unwavering positivity made dreams come true. We've also noticed that when it comes to protecting their hard-earned assets, this eternal optimism can leave them vulnerable. Unfortunately, we live in a litigious society where one personal lawsuit can undo years of hard work and cause significant financial damage to even the wealthiest individuals. Without proper coverage, they leave can potentially leave themselves unprotected.

How Much of Your Net Worth is Exposed?

One way to assess whether you have enough protection is to consider your net worth. For example, a client has a net worth of \$10M, yet their current plan only provides \$500,000 underlying liability for their personal home and auto coverage. This leaves \$9.5M of their personal net worth exposed.

In a lawsuit, a limit of \$500,000 is almost worthless if the claim is over their covered limits. Therefore, it is wise to consider an umbrella/excess liability policy which gives you added protection if you are sued. An excess liability policy kicks in when the underlying limits on your home or auto policy have been exhausted. An umbrella policy fills in the gaps in coverage.

If you are ever involved in a lawsuit, you need to be prepared. More often than not, people are sued and don't have extra protection to block the plaintiff from going after personal assets. While it may be difficult to think of a situation where you may not be covered, consider the following real life scenarios.

What If...

- Your teenage child recently got his/her license and injures a pedestrian. Over \$1M was recently awarded to a pedestrian after they were struck by the vehicle and unable to perform their job duties.
- Your dog bites and injures your neighbor's child. A similar situation yielded a \$466,000 settlement.
- You are playing golf and injure another player. A recent incident awarded \$5M to the injured player.

With an adequate umbrella/excess liability policy in place, the assets of the families involved would be protected.

How Much Are You Willing to Risk?

As a rule of thumb, the amount of coverage you select should equal or exceed your net worth. For example, if you have \$5M dollars in personal assets, we would recommend a minimum of \$5M in coverage. Most individuals neglect to raise their insurance protection as their net worth has increased over time. Umbrella/excess liability coverage is an extremely economical way to provide additional protection for you and your family.

Having increased coverage doesn't mean anything bad will happen. It just means that in addition to being eternally optimistic, you are also well-prepared.