



## **What Umbrella Insurance Is and Who Needs It**

Insurance policies can be confusing, so it's nice when you can at least understand what their names mean. Umbrella insurance provides us with a perfect example a self-explanatory name.

On the most basic level, insurance policies and umbrellas perform the same function: protection. Insurance protects you from financial hardships and an umbrella protects you from nasty weather.

A cynic might argue that insurance is just a waste of money because you don't receive anything tangible from it unless something bad happens. These folks would rather keep their money or spend it on other things than protection against the risk that something might happen.

To counter this argument, we once again refer to the umbrella analogy. Do you really need to buy an umbrella? No. It's not essential to survival; however, who is going to be happier outside when it does inevitably rain? It's fair to say that the person covered by an umbrella is likely happier for being prepared.

### **Shelter from the Storm**

Umbrella insurance can be thought of as insurance on your liability insurance. If you are ever sued for negligence, for example, umbrella insurance is normally capable of covering many, if not all, of the often unpredictable expenses you are most likely to incur.

In addition to legal representation, you might need to pay for property damages, medical bills or lost wages due to negligence.

Perhaps the biggest reason to have umbrella insurance is that it can serve to protect you from having your personal assets, financial savings or even your home seized in order to pay legal fees and other possible costs resulting from your negligence.

Some of the basic information you will most likely be required to provide when inquiring about umbrella insurance include:

- Name, date of birth, sex, marital status, occupation, driver's license information.
- Accident and violation data for the last five years.
- Current insurance information, including the company, your expiration dates, and claims and losses for the past five years.
- Listing of other assets you own, including recreational vehicles, rental property and land.
- Listing of watercraft, aircraft and other vehicles you own or use for business purposes.
- Listing of all business activities conducted in your household, if any, as well as on other property you own.

## **Who Needs Umbrella Insurance?**

So, who needs umbrella insurance? Anyone who has a liability insurance policy against which he or she could be sued for negligence, such as a vehicle or home, would be doing themselves a favor by at least considering additional umbrella coverage.

A negative stereotype associated with umbrella insurance is that, like a live-in maid, it is a luxury only the wealthy among us can afford. Two of the reasons why this is a misconception are that, one, anybody can be sued, and two, umbrella insurance is affordable protection no matter what your budget

In fact, the Insurance Information Institute says that personal liability coverage of about \$1 million can be purchased for as little as a few hundred dollars a year. So, since pretty much anyone can be sued, and pretty much anyone with a job can afford it, umbrella insurance coverage might be a smart purchase before the financial storm hits.

We have been protecting our customers from life's storms for more than 85 years. Contact us today and we can review your coverage and lifestyle so we can decide together whether umbrella insurance is protection you can use. 800-289-1501