



insurance

UMBRELLA COVERAGE

AN EXTRA LAYER OF PROTECTION FROM THE UNCERTAINTIES IN LIFE

On an otherwise normal summer afternoon, Jim was entertaining Mark and another friend on his ski boat, when a powerful wind gust blew an inner tube off the deck. As the rope connected to the tube uncoiled, it wrapped around Mark's leg, tearing the ligaments in his knee and injuring his hip. While undergoing medical treatment that included multiple surgeries, Mark was unable to work, or even drive, for more than six weeks. As bad as it was, the situation could have been much worse had Jim's insurance coverage not included an umbrella policy.

Umbrella insurance provides an extra layer of protection by covering the portion of claims that exceed the limits on your existing policies, such as the coverage on your home, auto, and any other property or vehicles, up to a cap you choose. Available in limits that begin at \$1 million, an umbrella also provides your insurance carrier with an added financial incentive to defend you in court, in order to minimize its exposure.

When you consider all the ways you could be held liable for injuries or damage from an unintentional act by yourself or someone else in

your household, it is easy to see the value of umbrella coverage. What would happen if, for example, you or one of your children were deemed responsible for a car crash that resulted in significant injuries and income loss to a physician or other high-income earner? Or if a contractor working on your roof was seriously injured in a fall?

The liability limit on Jim's boat insurance was \$500,000. After the costs of Mark's surgery and lost income surpassed this amount, Jim's umbrella policy kicked in to cover the remaining \$300,000 in claim value. Without the umbrella, Mark might have had to sue his friend to recoup these expenses. A \$1 million personal umbrella policy typically costs about \$200-\$400 per year. Though this is not an insignificant amount, AAA's insurance professionals consider this a sound investment in helping protect yourself from the uncertainties in life.

UMBRELLA INSURANCE PROVIDES AN EXTRA LAYER OF PROTECTION BY COVERING THE PORTION OF CLAIMS THAT EXCEED THE LIMITS ON YOUR EXISTING POLICIES.

Whether you purchase insurance from AAA or just need advice from someone you can trust, call our insurance professionals for answers to your questions or a free, no-obligation review of your existing coverage. Reach them at (877) 222-4678.