

Umbrella or Excess Personal Injury Protection

*By Nicholas Schidowka, President
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If you own a home, Attorney Michael Dobronos strongly recommends you purchase an umbrella policy that covers (like an umbrella) your home and cars. He further goes on to explain that this insurance also covers other unique situations, like sports related injuries, and items on your property, such as trampolines, dirt bikes, all terrain vehicles (ATVs), hot tubs, and swimming pools. Again, an umbrella policy is maximum amount of coverage to protect your personal assets from being exposed to litigation. More important, this coverage would pay your attorney fees and court costs, if you are sued. If you own a home, you should not be without this coverage.

Your homeowner's and automobile insurance both provide some coverage should you get sued because of damage to someone else's property or injuries others have sustained as a result of an accident. In today's world, however, the limits placed on the insured in homeowner's and automobile insurance is no longer enough. It is possible for an injury such as a broken leg to bring the plaintiff as much as \$80,000 in damages. For more serious injuries, the plaintiff cannot predict what a jury is going to do. As a result of this, more and more people are taking out Umbrella policies otherwise known as Excess Personal Injury Protection policies. These policies cover the remainder of the damages that your homeowner's or automobile insurance policies do not cover. These policies are relatively inexpensive policies to purchase. If you own a home and a couple of cars, it is likely that you will pay around \$300-\$400 for an umbrella policy with coverage for about \$1-\$2 million. In exchange for not eating out a few times, purchasing an umbrella policy is well worth its low cost.

An umbrella policy will also protect the policy holder against claims such as libel, slander, false arrest, wrongful entry, invasion of privacy and similar claims. Also, an umbrella policy has no territorial exclusion and it will protect the holder if someone else's property is damaged while in the holder's care.

"Another benefit of having liability insurance is that part of the insurance company's obligation is to provide a defense for you if you are sued by another party" adds Cleveland attorney Oleh Mahlay. "Although the lawyer is actually representing your interest in these legal actions, the insurance company selects and pays the legal fees associated with any lawsuit."

With the purchase of a personal umbrella policy, you will gain more than just higher liability limits for injuries or property damage you cause. The personal umbrella policy provides broader coverage in several areas of insurance as well as coverage that an underlying home or auto policy excludes.

For example, a blanket contractual liability, which is excluded from an underlying personal liability policy, gives you coverage for liability you assume by contract. The personal umbrella policy adds defense cost coverage when the defense coverage in the underlying policy runs out. The personal umbrella expands your liability coverage to a worldwide coverage, while your underlying policy only covers you in the United States, it's territories and Canada. Some other valuable coverage that the personal liability policy provides is coverage for wrongful eviction, defamation of character, libel and slander.

Some common claims brought under the personal umbrella policy:

1. Being sued for libelous statements.
2. Failure to rent to a tenant.
3. Liquor liability - a guest leaves your residence after consuming alcohol and is involved in an accident.
4. Automobile accident where the claim exceeds the underlying policy's limit.
5. A boating accident involves a fatality when your boat hits a swimmer.
6. A child is injured, perhaps fatally, in your backyard swimming pool.

To qualify for the umbrella policy a policy holder must first carry limits in accordance with the guidelines requirements of the umbrella carrier. Common limits are \$300,000 on the homeowner policy and \$500,000 on the auto policy.

The holder must then decide how high of a limit to purchase. While there is no way for an insurance company to provide this answer for a policy holder, we usually advise to purchase a limit of \$1 million more than the holder thinks they need. The extra million is at a reduced premium.

The above article is meant to give a general overview of insurance policies; exact coverage and terminology could vary by insurance company. **Please refer to your policy for exact coverage details and terminology.**

About the Author

Nicholas Schidowka began his work in the insurance and financial services industry in 1997. In 2001 he obtained Ohio licenses in Property and Casualty insurance and Life and Health insurance. Since then, he has worked hard to provide various insurance services to his customers including auto, business, health, home, and life. His professional and courteous approach to the insurance field has cultivated a diverse and loyal clientele in the Cleveland (Parma), Ohio area.

In 2007, Insurance Cleveland Agency LLC was formed. As an independent agency, Insurance Cleveland Agency has access to several different insurance carriers including Encompass (owned by Allstate), The Hartford, Ohio Casualty, Progressive Drive, Safeco, Travelers, Victoria (owned by Nationwide), Dairyland / Viking etc.

Insurance Cleveland Agency is pleased to announce the addition of Ivan Voytovych to their team! Mr. Voytovych is a highly qualified and valuable addition to the ICA team and helps the agency cater to the company's English, Ukrainian and Russian speaking customers.

Insurance Cleveland Agency is conveniently located off of Pearl Road and Highway 71 in the Islander Office complex. Office hours are Monday – Friday 9:00 am to 12:30 pm and 1:30 pm to 5:00 pm. Please call ahead for an appointment. We look forward to hearing from you in the near future!

Please give us a call, your free quote is waiting for you without any obligations. Many insurance policies are needlessly expensive and often out of date. We will work hard to give you the best service and there is a very good chance you can save money and improve your insurance at the same time.