



PERSONAL EXCESS LIABILITY EVALUATING YOUR RISK EXPOSURES

The conventional wisdom is that your excess liability limit should be equal to your net worth. The reason is that personal excess liability coverage is designed to protect your assets and financial security in the event of a rare but severe, large liability claim. However, your net worth is only one-half of the equation. You should also consider your liability exposures that increase the possibility that you may be held liable for a large loss.

Your risk exposures will change over time as you grow your wealth, acquire assets, participate in your community, and raise a family. The following checklist is a quick reference guide to help you determine your risk exposures. The more “yes” answers, the higher your risk exposures.

- Own more than one home for residential purposes.
- Own rental home(s) as an investment.
- Swimming pools, hot tubs, ponds, or trampolines on your property.
- Own vacant land.
- Own land with public access, such as beachfront property.
- Lease out land for farming purposes.
- Allow hunting on your land.
- Own one or more dogs.
- Have a home business that brings clients onto your premises.
- Conduct a day care in your home.
- Have a nanny or other domestic staff that is employed more than 15 hours per week.
- Home undergoing major renovations.
- Entertain often or host events for large groups (25+) in your home.
- Own multiple autos.
- Own high performance sport cars.
- Own autos valued over \$100,000.
- Youthful drivers (16-24 years old) in the household.
- Nanny or any other domestic employee drives your autos.
- Drivers over age 80 in the household.
- Own watercraft over 40' in length.
- Own other watercraft under 40' in length.
- Own “toys”—motorcycles, ATVs, jet skis.
- Any family members participate in online social media.
- Any family members serve on non-profit boards.
- Could you be considered a prominent public person (local, regional, national, or international)?

When considering your public profile, keep in mind that people perceived as “deep pockets” are often targeted for larger liability lawsuits. Consider the “google test:” if someone googles you, how much info will pop up and what will it reveal (correctly or incorrectly) about your financial status?

It’s important to review your risk exposures, as well as your net worth, periodically to confirm that your personal excess liability limit keeps pace.

Your Account Manager can help with your review and request a limit increase when one is needed. Keep in mind that premium is based on the limit and exposures (number of homes, autos, watercraft, toys, drivers) and is typically several hundred dollars per \$1,000,000 of coverage. However, the higher the limit, the less expensive each \$1 million increment becomes.