



## PERSONAL EXCESS LIABILITY

The purpose of the personal excess liability policy is to protect your assets against large, severe liability claims. When your primary liability limit is exhausted, you are still legally liable for the remaining portion of the judgment. Courts will liquidate assets—including vacation homes, rental properties, and valuable collections—and they may garnish income. A large judgment can force a radical change in financial security and lifestyle. While large liability claims are uncommon, it's important to have adequate coverage to protect your financial security.

### Personal Excess Liability Limit

Your objective is to protect your assets and lifestyle. Also consider risk factors that increase the chances of a severe liability loss: swimming pools, trampolines, young drivers, toys (ATVs, motorcycles, snowmobiles), watercraft, large-scale entertaining, and pets. If you are high profile or perceived as a “deep pocket,” claimants are more likely to sue for a large amount.

Generally, you want a limit that is equal to your net worth and possibly your future income. Our high net-worth insurers offer limit of \$50,000,000 and higher. It's also important to review your limit periodically as you build wealth.

### Additional Coverages

The excess liability policy can be endorsed to include several important coverages:

- **Excess Uninsured/Underinsured Motorist (UM/UIM)**—We recommend at least \$1 million excess UM/UIM coverage because an accident that results in a severe injury (or significant injuries to yourself and/or multiple passengers) can quickly exhaust the primary UM/UIM auto limits.
- **Excess Uninsured/Underinsured Liability (UIL)**—Many carriers offer excess liability coverage for non-auto losses, too. For example: you are severely injured at a neighbor's pool party and your neighbor's liability coverage is inadequate to cover your medical and rehabilitation costs.
- **Non-Profit Directors and Officers Liability (D&O)**—Boards can be sued for poor management practices, discrimination, wrongful termination, harassment, and libel and slander. Once the organization's limit is exhausted, board members can be held personally liable for the remainder of the claim. Coverage is available for members of non-profit boards, including homeowner associations.
- **Employment Practices Liability (EPL)**—EPL protects against allegations of wrongful employment practices (discrimination, sexual harassment, and wrongful termination) by a domestic employee. Defense costs are provided in addition to the coverage limit.

## **Personal Excess Liability Premium**

Premium is based on the limit and exposures (number of homes, autos, watercraft, toys, drivers, etc.) 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.

Many of our clients decide to reallocate their insurance dollar, increasing the homeowner policy deductible and using the premium savings to purchase higher excess liability limits.

If you would like additional information or have questions, please contact your Account Manager.