

HOW MUCH IS A BIG “OOPS” GOING TO COST YOU?

Well, how much coverage do you HAVE & what do you NEED?



The question we always get asked? How do you know how much auto and homeowner's liability protection is enough?

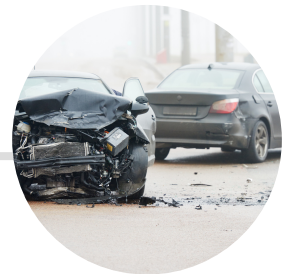
Liability protection is a type of insurance designed to financially protect you if you are responsible for someone's injuries, damages to another person's property, or causing bodily injury to others because of an accident.

Most standard auto and homeowners' insurance policies contain liability protection. Personal liability coverage only pays up to your policy's dollar limit. If a lawsuit or judgment occurs where the sought dollar amount exceeds your current coverage, you are responsible for the difference.

The liability protection needs of each individual or family vary, but the **rule of thumb is the more assets you own, the more liability coverage you need.**

For example, if your auto policy's liability coverage limit is \$250,000, and a claimant's medical and rehabilitation bills and legal expenses to file a lawsuit tallies \$400,000, you're responsible for \$150,000 out of pocket. In some cases, claimants seek greater damages and target the responsible party's assets.

AUTO INSURANCE



Most states mandate drivers carry liability insurance with a minimum of 25/50/25:

- \$25,000 bodily injury protection per person
- \$50,000 bodily injury protection per accident
- \$25,000 in property damage

However, most states recommend 100/300/100:

- \$100,000 bodily injury protection per person
- \$300,000 bodily injury protection per accident
- \$100,000 in property damage

You can obtain more coverage if you have a lot to lose in a lawsuit. Remember, liability coverage pays the other party involved. It does not cover the damage to your car, the medical expenses for you or your passengers, or any amounts above your policy limits.

As supply chain issues and increasing auto part recalls impact the automotive industry, car repairs have become costly. The complex technology in cars today requires mechanics to be better trained, pushing up labor prices on repairs and **driving higher liability claims.** And the majority of motor carriers are experiencing large increases in insurance costs, in spite of rising deductibles and reductions in coverage.

HOMEOWNERS INSURANCE



Within a homeowners insurance policy, the liability portion protects you against lawsuits for bodily injury or property damage caused to other people and also covers court costs and damages awarded.

Take inventory of your assets and the value of each because they could be at risk if you do not have the proper liability protection.

Assets to value include:

- Primary and vacation homes
- Automobiles
- Boats and recreational vehicles
- Investments
- Future earnings
- Collections, such as jewelry, art, or antiques

Most homeowners insurance policies provide a minimum of \$100,000 of liability coverage, but is that enough? **The current recommendation is to have at least \$300,000 to \$500,000 worth of liability coverage in a homeowners insurance policy.** If your primary residence or savings are worth more than that, you will need more coverage.

SO, WHAT'S RIGHT AMOUNT OF COVERAGE?



What happens if the value of your assets is more than the liability coverage in your existing auto or homeowners policies?

Consider purchasing a separate excess liability or an umbrella policy. These types of insurance provide coverage beyond the standard limits of the underlying policy and are used after exhausting your existing auto or homeowners coverage.



Do you run a business out of your home?

Your homeowners liability insurance may not protect you in the event of an injury or property damage related to your work. Review your policy with your broker to understand what coverage is included.



How is the cost of liability coverage determined?

The cost of liability coverage in an auto or homeowner's policy, or if you add additional liability protection, is determined by the kind and amount of risk you represent. Working with a trusted advisor whose careful approach to understanding today's complex insurance environment will help you define the appropriate amount of liability coverage you should have for your lifestyle.

Connect with our Private Client team to help ensure you're properly covered for your lifestyle.

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