

Personal umbrella liability policy



Protection against the big lawsuit

Catastrophes can happen even to nice people. When they do, the liability coverage that comes as part of your homeowners, automobile or boat insurance may not be enough to pay the damages. Not when a million dollar lawsuit is staring you in the face. Protecting you from big lawsuits is exactly what a personal umbrella liability policy is designed to do. It also can protect you against lawsuits not covered at all by your homeowners, auto or boat insurance policy.

How it works

A personal umbrella policy from Harleysville gives you \$1 million to \$5 million in liability coverage over and above the liability coverage in your homeowners and auto policies. Your insurance agent can help you decide how much additional coverage you need.

The coverage you buy is added to the coverage provided by your homeowners and auto policies—what we call the *underlying policies*. If you have to pay a legal judgment that is bigger than the liability coverage in your underlying policy, you'll be covered by your umbrella policy, up to the coverage limit you buy. The total liability coverage you have is the sum of the liability coverage amount in the underlying policy *plus* the liability coverage amount in your umbrella policy.

Here's an example: You're involved in a serious car accident. The other driver is permanently disabled and will never be able to work again. A lawsuit follows and a court awards the other driver \$1.5 million in damages. You have an automobile insurance policy with \$500,000 in liability coverage. Without an umbrella policy, you would be liable for the \$1 million your auto policy doesn't cover. A lifetime of debt could be in your future. With a \$1 million personal umbrella policy from Harleysville, the entire \$1.5 million would be covered.

What's covered by a personal umbrella policy?

In general, you're covered for liability arising from incidents and activities involving your vehicles, your home, your recreational vehicles, and your boat or other watercraft.

You also may be covered for personal liability arising from your home business, if your Harleysville homeowners policy includes a *business in the home endorsement*. If you're not sure you have this endorsement on your policy, check with your Harleysville agent.

Remember that, as with any insurance policy, there are exclusions and limitations on coverage.

Is there more?

Yes, there is. Your personal umbrella policy covers your liability for incidents that are not covered *at all* by your underlying policies. We call this *drop down coverage* because the coverage drops down to cover liability starting at just \$1,000 and goes up to the policy limits even though there is no underlying policy.

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Personal umbrella liability policy *continued*

Here are some of the more important types of additional or drop down coverages you get as part of your Harleysville personal umbrella policy. You're covered for ...

- Defamation of character
- False arrest
- False imprisonment
- Invasion of privacy
- Libel
- Malicious prosecution
- Slander
- Wrongful detention
- Wrongful eviction

In addition to these drop down coverages, you also will be covered for incidents that occur outside the United States, no matter where. Even when an underlying policy does not give you international liability coverage, this policy will.

Legal defense costs

The Harleysville personal umbrella policy pays for the cost of your legal defense without regard to any other payments that are made under the policy. In other words, we do **not** deduct the amount we spend for your defense from the liability coverage in your policy.

Here's an example: A judgment is entered against you for \$2.5 million. Your legal defense cost is \$280,000. Your underlying homeowners policy has \$500,000 in liability coverage. You bought a \$2 million personal umbrella policy. The \$2.5 million judgment will be paid by Harleysville (you have \$500,000 plus \$2 million in coverage from the combined policies). Even though you have reached the coverage limit of the combined policies—\$2.5 million—the \$280,000 in legal fees also will be paid by Harleysville.

Who is covered?

You, as the policyholder, your spouse and relatives of you or your spouse who live in your home.

Policy limits

The minimum policy provides \$1 million in coverage. The maximum coverage we offer is \$5 million. The coverage limit applies only once per occurrence, regardless of the number of people who claim to be injured in that occurrence.

How much coverage is enough?

That's a question best answered by you and your Harleysville agent, but here are some things to consider. First, the size of your financial assets—assets that could be at risk of attachment in case of legal judgment against you. The more assets you have, the more liability protection you need.

Second, your earning potential. Even if your asset base is not yet that large, a catastrophic lawsuit could put a claim on your future earnings and the assets you will acquire.

Third, the size of lawsuits today. You don't have to be a millionaire—or a multi-millionaire—to be sued like one. For example, injure and permanently disable a working adult and you'll quickly find out just how big a bill you can get for a lifetime of lost wages. Even an average wage earner will make \$1 million over a period of 20 to 25 years. For high wage earners, the figure could reach many millions. And remember, juries generally are not limited in the monetary damages they can award an injured party.

In short, if you have significant personal assets or the earning power to acquire them, the liability coverage provided by your homeowners and auto policy is just a good start to an adequate insurance plan. You'll need more. You should have an umbrella liability policy. Fortunately, you have an insurance company and an insurance agency that can give you one of the best.

Harleysville Insurance. "Good people to know" when you need a defender. Big time. Rated A+ (Superior) for financial strength by A.M. Best and a member of the Nationwide family of companies—one of the largest and strongest diversified insurance and financial services organizations in the U.S.—Harleysville is well-positioned to meet its obligations to policyholders.

What is not covered?

In general, this policy does not cover personal liability arising from or associated with ...

- Professional liability
- Directors and officers liability
- Aircraft operation
- Business pursuits, unless covered by underlying insurance
- Intentional injury
- Nuclear energy
- Discrimination
- Property in the care, custody or control of the insured if there is a contractual obligation to provide insurance
- Workers compensation, unemployment compensation and disability benefits
- Competitive racing
- Damage to owned property including: property owned by a corporation or association or property owners, and rented or borrowed aircraft
- Liability for watercraft and recreational vehicles away from your premises, unless covered by underlying insurance
- Uninsured and underinsured motorists coverage*
- Pollution
- Mold
- Communicable disease and sexual abuse
- Criminal acts
- Lead poisoning or contamination

There may be additional coverage exclusions not listed here—for punitive damages, for example—that apply specifically to policies issued in your state. Check with your agent for a complete list of additional exclusions, if any.

* These coverages are available in N.H. and Vt.



Harleysville Insurance
355 Maple Avenue
Harleysville, PA 19438-2297
www.harleysvillegroup.com