



A key to wealth preservation

Umbrella liability protection

Gulfshore Insurance - Private Risk Services is committed to protecting our clients' assets and lifestyles. That's why the foundation of our Personal Risk Management Program is personal liability protection.

Typically, insurance policies (e.g., homeowners, automobile,, and watercraft) include initial limits of “primary” liability that responds to legally based judgments against you or your family members. However, these are commonly limited to \$300,000 or \$500,000, making them inadequate in today’s litigious society where multi-million dollar judgments are all too common: these judgments are based on current and future earnings. In that event, an Excess Liability or “Umbrella” policy kicks in when a lawsuit judgment exceeds the limit on your homeowner’s and auto policies.

A key strategy in wealth preservation is the maintenance of comprehensive personal liability protection. That’s why we urge our clients to consider the maximum net worth they are willing to risk should such lawsuits occur. Our agency has the ability to place up to \$100,000,000 in personal umbrella policies, and our recommendation is to maintain Excess/Umbrella Liability protection at minimum limit of \$5,000,000.

We believe there are two key components that, whenever possible, be included in a comprehensive Excess/Umbrella policy:

- 1) Uninsured/Underinsured Motorist - This important protection is provided under most primary Automobile policies. It ensures that a household member will be covered for injuries he/she receives from a negligent driver. In the event of a qualifying accident, the insurance company will pay the difference between what the uninsured/underinsured driver can pay and what the injured driver would be entitled to as if the uninsured motorist had proper insurance in effect (covered also applies in “hit-and-



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run” accidents). We encourage every client to purchase additional limits of protection, which are available as an endorsement to the Excess/Umbrella policy. This additional protection covers the bodily injury damages they cause you or a family member.

- 2) Ensuring a Proper Defense - Most clients are unaware of how their defense would be managed by their insurance company in the event of a lawsuit brought against them or a family member. Three specific items to request include:
- Outside the Limits – All covered defense costs are “outside” the limit of Excess/Umbrella coverage, thus preserving the full Excess/Umbrella coverage limit for judgments against you.
 - Expanded Defense – A sub-limit of coverage will apply to the reasonable expenses for your preferred law firm to review and consult on the defense offered by the policy.
 - Reputational Damage – Some policies will also provide a sub-limit to cover the fees of a public relations firm to protect your reputation within your community.

Our clients’ needs evolve over time so we want to reinforce the following coverage options that could be critical to maintaining a proper Personal Liability Program. Please make your insurance advisor aware of any related exposures that you or a family member may have to any of the following:

Trusts, Estates, & LLC’s

If your properties, vehicles, watercraft, or aircraft are owned in the name of an entity created for tax or liability purposes, be sure the entity is named on your Primary and Excess/Umbrella policies as an Additional Insured.

Employment Practices Liability

Covers lawsuits brought by private household staff for sexual harassment, discrimination, and wrongful termination.

Non-Profit Director’s & Officer’s Liability

Protects unpaid board members or trustees of charitable organizations against lawsuits involving a variety of wrongful acts such as sexual harassment, discrimination, libel, slander, invasion of privacy, wrongful termination, and plagiarism.

Family Trust Liability

Covers damages resulting from a negligent act, error/omission, or breach of duty while serving as a trustee of a family trust.