



Guidance Education Service

Umbrella Policies



Who needs an Umbrella Policy?
Anyone – even with modest assets
If you are sued and there is a judgment against you, your home, savings, retirement and other assets can be taken to satisfy that judgment.

How It Works

An umbrella policy is a liability policy; it pays someone on your behalf if your actions hurt them or damage their property. This can include medical bills, lost wages and “pain and suffering”.

Your Homeowners, Renters, Landlord, Auto, RV and other policies have a liability component within them. These policies are called the “underlying” policies because they provide the first layer of coverage.

An umbrella policy responds when the underlying coverage is not enough to pay the claim. It is meant to provide coverage in excess of the various policies. It can even provide coverage for certain claims that aren’t covered under the other policies.

The umbrella policy will also pay attorney’s fees to represent you, if that becomes necessary--even if you are not at fault but a suit is filed anyway.

Claim Examples

You pull out from a stop sign, but don’t see the motorcycle coming toward you. He hits the side of your car and is very badly injured. Your Auto policy would pay its limits and then your Umbrella policy would pay the rest of the claim up to its limits.

A friend slips and falls at your home, hits her head on the coffee table and sustains head trauma. Your Homeowners policy would pay its limits and then your Umbrella policy would pay the rest of the claim up to its limits.

You are traveling in Europe and leave your backpack in an aisle. Someone trips on it and is badly injured. Your Homeowners and Umbrella could both potentially respond.

You write what you think is a harmless comment on Facebook. The person sues you for defamation of character. Your umbrella could respond to this law suit.

These scenarios might seem unlikely, but it only takes one incident to change your life forever.

jan@janloeweninsurance.com
707-528-8483

Jan Loewen Insurance Services
Home, Auto, Small Business
CA License: 0L12184

Please note: This Fact Sheet contains general concepts which should not be applied to any specific circumstances, policy or claim.