



COLBURN GROUP I N S U R A N C E

3001 West Big Beaver Road, Suite 302
Troy, Michigan 48084-3192
Phone (248) 643-4800 Fax (248) 643-0874

Deciding on Umbrella Coverage Amounts

One million dollars is the minimum amount of coverage for an umbrella policy. However, insurance companies usually offer these types of insurance policies in one million dollar increments and often go up to five or ten million. Some companies that target high net worth individuals may offer up to fifty million or more in coverage. Many people who purchase an umbrella policy choose the one million dollar amount, but more choose two million dollars or more. A rough estimate of what it costs for the first million is about \$200 to \$250 a year, but can be higher if you have more than two cars, young drivers or points on your record. While each incremental amount above the first million is slightly less, increments exceeding ten million can be higher.

The more coverage you have the more bullet proof you will be if you become liable for a catastrophic incident. One of the best aspects of this coverage is that it's very inexpensive. Consider that all accumulated assets from an entire lifetime could be in question. While you may believe the amount needed should match your net worth, settlements and judgments can go beyond total assets

because damages are never limited to someone's net worth.

It's also important to protect future wages from garnishment. The future income of an individual who doesn't have ample coverage can also be jeopardized. If the person who is injured earns a considerable amount of money, that individual is more likely to be a target of the best liability attorneys.

Although one million may appear to be more than enough coverage, the total cost of liability claims can multiply quickly. It's not unusual to read in the news of settlements well over five million. Losing the ability to earn an income and facing a lifetime of injuries or medical care can easily total beyond several million dollars over the span of an individual's lifetime, not to mention situations where multiple people are injured, which would multiply the total damages.

Anyone who has something to lose should consider at least a two million dollar umbrella, but if you really have a lot to lose and don't want to gamble with your life's wealth, your options are at least a five million dollar policy, if not more. Please call us if you would like more information about umbrella policies.