

## **UMBRELLA INSURANCE POLICIES**

As insurance prices continue to rise, many people are looking for more and better insurance coverage for less money, and “umbrella policies” are often a good option for increasing coverage. Umbrella policies get their name from the coverage they offer: Like an umbrella, they provide expansive coverage for you and your assets. Umbrella policies act as a kind of backup for your primary insurance and can provide a cost-effective way to protect your assets if you cause a catastrophic accident. Typically, you can buy up to \$1-million of coverage in Wyoming for \$100-\$250 per year.

Most of us carry several kinds of liability insurance policies: car insurance, homeowner’s insurance, renter’s insurance, etc. All of these different policies do essentially the same thing. They cover us for the different careless acts we might commit. Umbrella policies begin where other insurance ends. They provide additional coverage—coverage that is available only after the underlying liability policy has been exhausted. Umbrella policies are often surprisingly inexpensive, given that they can provide additional coverage in amounts up to \$1 million or more. The reason umbrella policies are relatively inexpensive is that they are asked to cover only the largest of claims. Because of this, the number of claims brought against umbrella policies is lower than the number of claims brought against “regular” policies.

### **The BIG SECRET about umbrella policies:**

Umbrella policies are generally sold to protect your home and assets if you *cause* an accident. So, if you are sued for millions of dollars, it will provide additional coverage. But what you are never told is that when you buy an umbrella policy, you can link it to your uninsured and under-insured motorist coverage.

Thus, if you ever have the unfortunate situation of being in an accident which you did not cause, and the other party does not have enough insurance coverage, you will be protected. First, your uninsured or under-insured motorist coverage will kick in, and if there is still not enough money to cover your damages, you may access the umbrella policy to cover you. Please note that there are some limitations when a family member is hurt by another family member who is doing the driving.

Most importantly, don’t wait for a rainy day to take action. Umbrella policies are a relatively

inexpensive form of insurance to have to protect yourself, your family, and your assets.

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