



# ARBELLA

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The personal umbrella policy provides coverage for claims over and above the limits afforded by your existing policies. Consider the following example:

**One evening, a 17-year-old took his parent's car out for a drive. He crossed over a median and collided head-on with another vehicle. Two passengers in the other car were killed, and a third was seriously injured. The 17-year-old driver was found negligent and ordered to pay \$1.5 million to settle the injury claims. The parents had an auto policy with a \$300,000 per claim liability limit. Fortunately, the parents carried an umbrella. The auto policy paid \$300,000, and the umbrella paid the remaining \$1.2 million.**

With a personal umbrella policy, you are covered if the limits under your primary policy are used up. Your assets, as well as your future earnings, are protected.

## Added Features

Besides providing increased liability limits, a personal umbrella policy gives you these additional benefits:

- You are protected against claims that may not be covered by your underlying policies for homeowner's, auto liability and watercraft liability.
- You are covered anywhere in the world.
- You are covered for defense costs and attorneys' fees associated with claims against you that are covered by your personal umbrella policy, but not by your primary policies. These expenses are paid in addition to your policy limit.



## Why do I need a personal umbrella policy?



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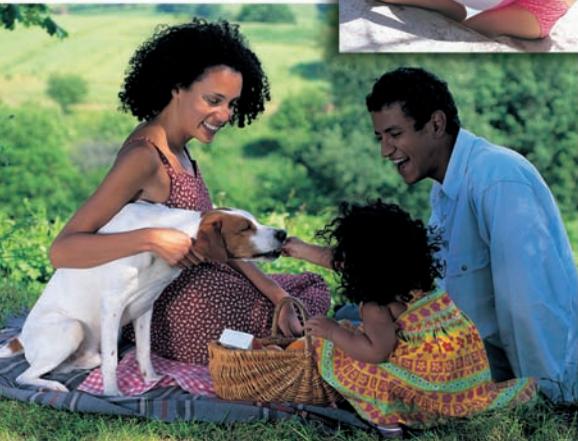
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## Jury awards and out-of-court settlements routinely run into hundreds of thousands or even millions of dollars.

Add to this the cost of legal fees, and the expense becomes staggering. An unexpected catastrophe could result in a large judgment against you. Without adequate protection, your current assets could be placed in serious jeopardy.

**A personal umbrella policy could protect you against excess liability judgements for loss, injury, or even death caused by negligent acts. It is designed to provide liability protection over and above the insurance policies you currently have.**



## Expect the unexpected

These events did happen and could happen to you...

- While playing with bb guns, a boy was shot by another boy at their friend's home.

**Plaintiff Verdict, Compensatory Award: \$500,000**

- A 12-year-old boy suffered lacerations to the lower legs and thigh when he walked by a neighbor's house and was bitten by her two dogs.

**Plaintiff Verdict, Compensatory Award: \$500,000**

- A toddler being watched by his grandparents wandered outside and was found at the bottom of their pool.

**Verdict Pending**

- Two children died as a result of a fire when they were playing with matches at a homeowner's rental property.

**Out-of-court Settlement: \$1,100,000**

- A 6-year-old boy suffered partial permanent impairment of one arm and hand while playing in a friend's yard and being lifted over a fence to retrieve a ball.

**Compensatory Award: \$1,220,000 (later settled)**

- A driver was rear-ended by an uninsured motorist, which forced the driver's car into another vehicle, causing injuries to the occupant of the front vehicle.

**Out-of-court Settlement: \$1,250,000**

- A teenage driver hit a parked truck, causing his passengers to suffer serious head injuries.

**Out-of-court Settlement: \$1,875,000**

How well protected are you and your family from paying a large liability loss?

*Source: All cases with jury verdicts were taken from Jury Verdicts Research, an LRP Publication Company, Horsbarn, Pennsylvania*

## Why do I need more insurance?

You may say—"We have auto insurance and homeowner's coverage. That should be sufficient. Why would we need an umbrella policy?"

In today's society, lawsuits are occurring with alarming frequency. Moreover, the monetary awards can be staggering.

Your current insurance will protect you against a minor misfortune—but it probably would not give you the needed protection against a catastrophic loss.

## How much insurance is enough?

While no one can know for sure, the most recent government report shows that household net worth grew significantly from 1995 to 2004:

<b>All homeowners</b>	<b>+44%</b>
<b>Self-employed</b>	<b>+75%</b>
<b>College graduates</b>	<b>+76%</b>
<b>Top 10% incomes</b>	<b>+112%</b>

*Source: 2004 Survey of Consumer Finances, U.S. Federal Reserve Bank*

To ensure you're protected against the unknown, resetting liability policy limits can be as critical as reallocating invested assets.

You likely have liability coverage—auto, homeowner's or watercraft liability. In the event of an accident, these will give you protection for bodily injury and property damage, or both—but only up to your policy limit. Beyond that, you would be responsible for paying excess amounts for which you are liable. That excess amount could be several million dollars!