

# Do I need umbrella insurance?

Umbrella insurance provides an extra layer of protection on top of your existing insurance policies, providing additional coverage if you're sued and the damages exceed the limits of those other policies.



Reasons to consider buying an umbrella insurance policy:

- You have significant assets to protect
- Your lifestyle involves higher risk activities
- You want broader liability protection

Umbrella insurance can cover\*:

- Bodily injuries to someone else
- If you damage someone else's property
- Personal injury, such as claims of libel, slander, defamation of character, false arrest, or invasion of privacy
- Legal defense costs
- Worldwide coverage
- Landlord liability

\*Policy specific

Sources- multiple (AI generated content)

# How much umbrella insurance do I need?

## How much does it cost?

- Umbrella insurance is often affordable, especially considering the substantial coverage it provides.
- Costs can vary based on factors like your location, the amount of coverage you choose (\$1 million to \$5 million or more), your risk profile (number of vehicles, properties, etc.), and your underlying policy limits.
  - A \$1 million umbrella policy can often range from **\$150 to \$300 per year**.
  - Increasing the coverage to \$2 million might cost around **\$300 to \$500 annually**.
  - Higher limits, such as \$5 million, could range from **\$500 to \$1,000 per year**.
- Many insurance companies offer discounts if you bundle your umbrella policy with your existing home and auto insurance.

## How much do I need?

Determining the appropriate amount of umbrella insurance involves considering several factors specific to your financial situation and potential risks. Key factors to consider are:

- Net worth: A common rule of thumb is to have umbrella insurance coverage equal to or greater than your total net worth.
- Income and future earning potential
- Lifestyle and risk exposure
- Current insurance policy limits

## Online calculators

There are multiple resources available online (e.g., [WalletHub](#), [Insurance.com](#)) to help you estimate how much umbrella insurance you may need based on your specific situation.