



23. UNDERSTANDING UMBRELLA INSURANCE 101

This Course Provides:

4 CE Credits General (P&C)

What will the Advisor learn by taking this course?

If your clients and prospects are sued for damages that exceed their primary insurance liability limits, an umbrella policy will help pay what they owe.

Nobody's perfect. That's why you buy liability insurance: You can avoid financial ruin if you accidentally cause major injuries or property damage to others. Problem is, your insurance isn't perfect, either. That's where a personal umbrella insurance policy comes in.

Think of umbrella insurance — sometimes called excess liability insurance — as a fail-safe for your savings and other assets. If you're sued for damages that exceed the liability limits of your car insurance, homeowner's insurance or some other coverage types, an umbrella policy helps pay what you owe. In some cases, it provides coverage that's not included in the base insurance policies.

Who needs umbrella insurance?

Umbrella insurance is not required. It's commonly purchased by people who:

- Own property.
- Have significant savings or other assets.
- Are worried about liability claims against them when they travel outside Canada.
- Own things that can lead to injury lawsuits such as pools, trampolines and dogs (check with your insurer to make sure your breed is covered).

Engage in activities that increase your chances of being sued, such as:

- Being a landlord.
- Coaching kids' sports.
- Serving on the board of a nonprofit.
- Volunteering.
- Regularly posting reviews of products and businesses.

- Participating in sports where you could easily injure others (skiing, surfing, hunting, etc.).

You can make a case with your clients and prospects, that just about anyone can benefit from umbrella insurance. Why? Because a large lawsuit can wipe out not only your current savings but also what you stand to earn in the future. Even if you don't have the money to cover a massive settlement now, you could be stuck paying off the debt for years.

This course will cover such topics as:

- What are the advisors, agents & brokers roles in the underwriting process?
- What is Umbrella (Liability & General) insurance?
- How does Umbrella insurance fit in with general liability claims?
- When is Umbrella insurance necessary? How is it set up?
- What are Umbrella policy characteristics?
- How are Umbrella policies underwritten?
- What constitutes evidence of negligence and liability claims?
- Discussion of Liability Issues such as: Torts, Intentional Torts, Battery, Assault, Mental Distress, Defamation, Trespass, Privilege, Mistakes, Conversion, Consent
- What constitutes Liability claims? What are the 5 binding requirements for Umbrella insurance?
- Coverage's & Exclusions for umbrella policies. Umbrella policy terminology.
- Limits & retentions held by the insurance company.
- Risk Management and how it affects umbrella policies.
- Overall General Insurance definitions and terminology.