



<https://www.stamfordadvocate.com/opinion/article/john-parse-umbrella-insurance-todays-business-19473971.php>

OPINION

Today's Business: Why umbrella insurance is so important

By John M. Parse
Contributing Writer
May 25, 2024



Attorney John M. Parse
Contributed photo

If you go for a walk in the rain without an umbrella, you're going to get wet. If you drive a car without an umbrella policy, you may get soaked — financially.

No one sets out to be a victim in a serious car wreck. Certainly, no one sets out to cause a wreck. But these things happen. When they do, liability insurance is triggered. Having adequate insurance coverage can make all the difference to the victim and to the one who caused the harm. When it comes to insuring your

business or your family, there is an often overlooked, and relatively inexpensive, insurance policy option that most businesses and families would benefit from having: umbrella coverage.

Let's start here.

If you drive a vehicle, you must have auto insurance. That insurance, in addition to helping pay for repairs, also covers liability. Connecticut requires all drivers to carry minimum liability coverage of \$25,000 per person and \$50,000 per accident for bodily injury and \$25,000 per accident for property damage.

Connecticut's minimum liability laws do not realistically take into consideration the harms and losses that follow a serious crash. Even a couple days in a hospital, for example, is likely to cost more than \$25,000. Carrying inadequate insurance puts your home and other assets at considerable risk. The more you have, the more risk you are taking on. Umbrella coverage helps you protect these things.

Umbrella insurance coverage serves as a supplementary layer of protection, extending beyond the coverage limits of your existing policies like auto, homeowners, or renters' insurance. It acts as a safety net, offering additional liability coverage when the costs of a claim exceed the limits of your primary insurance. This extra layer of security can prove invaluable in safeguarding your assets and financial well-being in the face of unforeseen circumstances. The most common amount of umbrella coverage for an individual or family is \$1 million. For businesses and individuals with considerable assets, more umbrella coverage is likely necessary.

If you own a business, for example, an umbrella policy can be the difference between remaining viable and closing up for good.

An insurance agent or representative can generally assist you in determining how much insurance you ought to carry and how much that would cost. The insurance market is competitive. There are many options. Take the time now to find out what is best, then do it. If you wait until the unforeseen happens, it's too late.

Consider, for example, a scenario in which a driver is temporarily distracted and hits a pedestrian. Of course, the driver did not intend to hit or hurt the pedestrian, but it happened. In the blink of an eye, the pedestrian's life has been altered. She is now faced with terrible injuries, hundreds of thousands of dollars in medical expenses, significant future medical care costs, loss of functional capacity, loss of work capacity, and a future of chronic pain. These are awful circumstances that would rightfully justify a significant recovery. In the absence

of an umbrella policy, the pedestrian would likely be forced to pursue recovery from the driver's personal assets, home, and savings. What is more, the pedestrian could tie up the driver's home and bank accounts while the case is pending.

Without adequate coverage, your savings, investments, and even future earnings are at risk. Umbrella coverage offers peace of mind, knowing that you have an extra layer of defense against such unforeseen events.

Umbrella insurance is less expensive than you would think. If you do not already have umbrella coverage or are considering increasing your existing coverage, don't wait. Get a quote. Investing in an umbrella policy can safeguard your financial stability at a fraction of the cost of a serious claim.

Attorney John M. Parese is a partner at the New Haven-based law firm of Buckley Wynne & Parese. His focus is on personal injury cases of all types. He can be reached at 203-776-2278 or jparese@bwplaw.com.