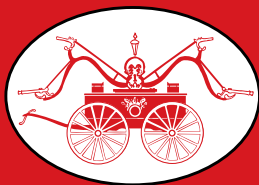


Why Do I Need a Personal Umbrella Insurance Policy?



LOUDOUN MUTUAL
INSURANCE COMPANY

A Tradition of Serving Virginians Since 1849

P.O. Box 58 • Waterford, Virginia 20197
phone 1.800.752.3458 • fax 1.540.882.4785
www.LoudounMutual.com

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.

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.**

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

A personal umbrella policy could protect you against excess liability judgments 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.**



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Always 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 other vehicles, causing injuries to the occupant of the front vehicles.

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, Horsham, Pennsylvania

How Much Insurance Is Considered Enough?

While no one can know for sure, the most recent government report shows that household net worth grew significantly from 1995 to 2001:

All homeowners +43%

College graduates +76%

Self-employed +97%

Top 10% incomes +103%

Source: 2001 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!

Additional Benefits

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 homeowners', 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.
-

Supplement Your Existing Coverage.

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



The parents of a teenager provided him a car. One day, the teenage driver 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 young driver was found negligent and ordered to pay \$1.3 million to settle the injury claims. The parents had an auto policy with a \$300,000 per claim liability limit. Fortunately, the parents had purchased an umbrella policy. The auto policy paid \$300,00 and the umbrella policy paid the remaining \$1.0 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.

For more information, please contact your local Loudoun Mutual agent.



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Why You Should Choose Loudoun Mutual Insurance

Loudoun Mutual has been insuring Virginians since 1849. Because we are a mutual insurance company, owned by and operated for the benefit of our policyholders, Loudoun Mutual is committed to providing its agents and policyholders with broad coverages, flexible payment plans, excellent service (especially when you have a claim) and affordable, competitive pricing while maintaining our long history of superior financial strength. We have a tradition of service to our policyholders and we will be there for you when you need us.

Loudoun Mutual is represented throughout the Commonwealth of Virginia by a network of professional independent insurance agents. To find one of our agent's locations near you, either visit the company website www.loudounmutual.com or telephone us at 800.752.3458 – and yes a real person answers the phone 24 hours a day seven days a week.

Loudoun Mutual Insurance Company is rated A- (Excellent) by AM Best, the premier insurance rating organization. Through conservative investing, the use of technology, and prudent risk selection, Loudoun Mutual is committed to continuing its Tradition of Service. Contact a Loudoun Mutual Agent near your home today!



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