

Dear \_\_\_\_\_:

As part of our planning I wanted to reiterate the importance of having an appropriately coordinated and “gap free” liability and casualty insurance program.

I am enclosing a sample letter that some clients use to help assure that they have coverage for common gaps or mistakes made in structuring liability insurance. If you would like assistance in completing this type of letter, please let me know.

The rest of this letter is about umbrella liability insurance coverage. We believe that it is very important to have appropriate limits of liability on automobile and homeowner insurance policies. Typically, the automobile and homeowner policies will be at \$500,000 coverage, and then there will be excess coverage under what is called a "personal umbrella policy."

The personal umbrella policy is used in combination with homeowners and auto policies to cover most clients' needs. If it is a true "umbrella" it will provide excess limits above and beyond your primary insurance coverage (such as homeowners, automobile or boat policy), and will also provide coverage for situations excluded or not addressed by underlying coverages. Each individual insurance company will have its own requirement for limits that you must have on your primary policies. You will want to be careful to assure that these policies are coordinated with your umbrella coverage.

Umbrella limits start at \$1,000,000 and can go over \$10,000,000. Pricing for these policies are based primarily on the number of houses and vehicles to be insured, with each additional \$1,000,000 of coverage being less expensive than the preceding. Also, I would consider placing much of your brokerage account and other assets under a family limited partnership to further insulate you for creditor protection purposes.

Another coverage that is often underutilized by clients is called "uninsured motorist coverage." If you are in an automobile accident caused by someone who does not have enough coverage to pay for your damages, you can pursue your own insurance company to the extent of your "uninsured motorist" coverage. We encourage clients to see what it costs to have \$500,000 or more in uninsured motorist coverage to help compensate for catastrophic accidents that can happen.

Some carriers, including citizens and carriers who have assumed policies from citizens do not provide liability coverage for pool and pet or animal related liabilities. In this event the Umbrella liability coverage may or may not apply. This is something that should be discussed with the insurance agency or carrier that provides liability coverage.

If we can provide you with any further information or with assistance concerning your insurances, please let us know.

\_\_\_\_\_, 2013

Dear Liability Insurance Agency and/or Carrier:

I recently met with my estate planning lawyer and wanted to make sure of the following:

1. Please confirm that we have Personal Liability Umbrella insurance covering our automobiles, boats, recreational vehicles, and all properties owned. I would like quotes on the following coverage limits, \$1,000,000, \$3,000,000 and \$5,000,000, with and without Uninsured Motorist coverage.
2. Please confirm that we are covered for animal liability under our primary homeowners insurance and confirm that the Liability Umbrella would also extend to animal liability. We have been told that the primary homeowners may exclude animal liability and that some Liability Umbrella policies will not provide coverage when the primary homeowners insurance excludes same.
3. Please confirm that we are covered for pool related accidents occurring on our property and also confirm that the Personal Liability Umbrella policy will also extend coverage to pool related accidents.
4. Can you please confirm that we are covered for cars being driven by \_\_\_\_\_.
5. Can you please confirm that we are covered for the investment property that we own at \_\_\_\_\_. It is titled under the name of \_\_\_\_\_?

6. Can you please confirm that we are covered for our \_\_\_\_\_ boat, which is \_\_\_\_\_ foot long and is normally stored at \_\_\_\_\_. The horsepower is \_\_\_\_\_.

Are we also covered for trailering the boat with our trailer?

Also, can you please confirm that we are covered for our waverunner/jet ski which is a \_\_\_\_\_ with horsepower of \_\_\_\_\_. It is stored at \_\_\_\_\_.

7. You do not handle the coverage for our vacation \_\_\_\_\_ in \_\_\_\_\_ or our vacation \_\_\_\_\_ in \_\_\_\_\_. Is our potential liability relating to the use of these properties covered under our umbrella, or do we have to obtain a separate umbrella for these properties?

Our \_\_\_\_\_ and \_\_\_\_\_ are stored and used up in our \_\_\_\_\_.

8. \_\_\_\_\_ drives the car owned by \_\_\_\_\_ both for personal purposes and with respect to the \_\_\_\_\_ business. We assume our coverage includes business driving both by \_\_\_\_\_ and by \_\_\_\_\_ who occasionally drive the car for the business.

9. Can you please confirm that we are covered for our motorcycle being driven by \_\_\_\_\_.

10. Is there anything not mentioned above that comes to mind that we should be aware of?

Please send our lawyer, Alan S. Gassman, a copy of your response to this letter, which has been generated as a part of our estate planning. Alan's email address is AGassman@gassmanpa.com and his street address is 1245 Court Street, Suite 102, Clearwater, Florida 33746. His fax number is (727) 443-5829. Please send us a copy of your response as well.

If you have any further suggestions with respect to our coverages please let us know.

Thank you very much for your assistance herewith.

Best personal regards,