

# How umbrella insurance covers gaps in auto policies.



Auto insurance policies vary from state to state in terms of coverage, rates, liability, and more. It's important to be aware of the laws in your state and how they could affect you in an auto accident or emergency. In Michigan, for example, no-fault auto insurance updates took effect in July 2020. How did these laws shift policyholder coverage? Two of the main policy changes included:

- At-fault drivers are now responsible for, and can be sued for, excess medical expenses. These were previously covered under Michigan's unlimited personal injury protection (PIP) option, but are no longer covered if an injured person selected any amount of PIP coverage other than unlimited on their auto insurance policy.
- In the case of an accident, liability risk increases significantly for the at-fault driver. In addition to the lifetime medical costs of those injured in a crash that the driver caused, the driver may also be liable for pain and suffering compensation.

Luckily, there is an affordable, comprehensive way for Michigan drivers and those across the U.S. to protect themselves on the roads... with an umbrella policy. You may be wondering how umbrella insurance covers gaps in auto policies. Or, how much this policy would cost.

Explore the many benefits of enrolling in umbrella coverage today.

## **Umbrella policies reduce the risk of liability for drivers.**

Since policyholders may be responsible for damages during an auto accident, an umbrella policy could come to the rescue. It would provide coverage for the difference between the damages caused in an at-fault accident and the liability limits on that driver's auto policy. With coverage, you ensure:

- **Protection for the at-fault driver's personal assets.** Without an umbrella policy, personal assets could otherwise be used to pay for the liability of the accident (like medical expenses, pain, and suffering).
- **Protection for your future.** If your policy limits were exhausted, the at-fault party would still be expected to pay what's owed after an accident. That could include dipping into your family's future income if your current assets were inadequate.

## **They're low cost considering the high coverage they offer.**

Umbrella policy coverage ranges from \$1 million to \$5 million at a low cost to consumers. That means it can be one of the smartest and most affordable safety nets you have - protecting both you and your assets in case of an accident.

## **They can extend liability coverage to your home, boat, and recreational vehicles.**

Umbrella policies don't stop at covering auto policy gaps. In fact, they can extend to many other areas like your home, boat, and recreational vehicles. But how does that work?

At their core, umbrella policies provide coverage past underlying limits if you were found liable in a situation. Let's say someone got seriously injured on your property and your homeowners policy liability limits weren't enough to cover medical expenses. An umbrella policy would come into play to cover the gap in coverage. If a similar situation happened on your boat or recreational vehicle, the same outcome would apply.

## **They provide critical coverage in Michigan, and beyond.**

No matter where you live, having extra coverage and peace of mind is invaluable. Look at the many ways umbrella insurance covers gaps in auto and other policies. Then, talk to a local, independent agent about getting coverage today.