

“Ahead of the Curve”

A Community Newsletter from A.P Michaud Insurance Agency

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What is a Personal Umbrella Policy and Why Should You Have One?

What is an Umbrella Policy?

A Personal Umbrella Policy is a low-cost insurance policy that provides additional liability coverage on your personal insurance policies. It is additional coverage if you are sued for damages suffered by someone as a result of an accident involving your car, on your property or during a recreational activity such as boating or golfing.

Why is it important to have an Umbrella Policy?

We all understand the importance of having insurance: protecting your assets from damage, theft, and even natural disaster but what about when an accident occurs that exceeds the coverage on your existing policies? What if you are sued for more than you are covered for? We hope these things never happen to us but what would you do if it did happen? Here is an example of how and when an Umbrella Policy would be used.

The Situation:

John, a lifelong boater, was docking his new 40 foot speed boat into his docking slip. A fellow boater was directing him when John accidentally hit the throttle forward and knocked the other boater to the ground. When the other boater fell

You don't have to be a millionaire to be hit with a million dollar lawsuit.

he hit his head on the ground where he sustained a fractured skull, a broken jaw bone and dental damage.

The Outcome:

The injured boater was a well known motivational speaker and his future earning ability was diminished by the permanent damage to his jaw. The court awarded him \$750,000 for pain and suffering and loss of income.

Total Damages:
\$824,000

Boat Liability Limit:
\$300,000

John's Responsibility:
\$574,000. This amount would be covered by a \$1 million dollar Umbrella Policy. If John didn't have an umbrella policy to cover the \$574,000 then he would be personally responsible to pay the injured boater the money.

You don't have to be a boater to experience a need for an umbrella policy. Here is another example: Your next door neighbor comes over

to your house to help you clean out the leaves from your gutters. He brings his 17 year old son to help as well to get the job done faster. The boy ends up falling off the ladder and sustains a serious injury to his neck. The jury awards him \$1,500,000 for the numerous operations he will need. Your homeowners policy only carries \$300,000 in liability. If you don't have the umbrella policy to cover the remaining amount, what do you think will happen to your equity, savings, and investment accounts?

Personal Umbrella Policies range from \$1 million to \$5 million in coverage and do require higher liability limits on your auto insurance. However, it is very inexpensive for the amount of additional coverage it provides. Ask us for a quote or more information!

Inside This Issue...

- Other Lines of Business at Michaud Insurance Agency
- Did You Know...
- Common Insurance Questions Answered
- Happy Holidays!

Common Insurance Questions Answered

When purchasing insurance there are a few things that every consumer should know in order to make an informed purchase. Whether it be Automobile Insurance, House Insurance or Business Insurance there are a few things you need to know:

How Much Insurance Do I Need? That depends on how much you own. This is something that you should discuss in detail with your agent. We can only give you the best coverage if we know what property you own.

Is Price All That Matters When Buying Insurance? It is very important that you get the best price but you shouldn't drop coverage that you need to get a cheaper price. Like many other services, you are paying to get the best service and that should be taken under consideration especially when you have a claim. If you drop coverage you may have more trouble than you should going through the other party's insurance carrier to get your payments.

What is Insurance Coverage? When you pay a premium you are getting certain circumstances and personal property covered by the insurer, the coverage lays out what types of situations and properties that are insured.

What is an Insurance Deductible? A deductible is the amount of the loss that you pay out of your pocket for an at fault loss. For example if you have a loss of \$1500 and your deductible is \$500, you would pay the \$500 and the insurance company would pay the remaining \$1000.

Other Types of Insurance We Sell at Michaud Insurance Agency

We don't just sell auto and home insurance policies, we write all kinds of policies such as...

- MA & NH Automobile Insurance
- Homeowners Insurance
- Condominium Insurance
- Renters Insurance
- Life Insurance
- Business Insurance— Commercial Auto, Workers Comp, Liability, Errors and Omissions, Special Contractor programs, Commercial Property
- Bonds— Certified Government Bonds
- Collectibles and Antiques— Vehicles, Figurines, Memorabilia, Dolls and more!
- Other Insurance— Watercraft, Motorcycle, Aircraft, Snowmobile, & ATV
- Identity Theft Shield— Protect your Identity, Credit and Peace of Mind
- Pre-Paid Legal Services— One monthly fee for Preventive, Motor Vehicle, Trial and Audit Legal Services

We represent the following companies: Safety Insurance Company, Plymouth Rock Assurance, Mt. Washington Assurance, Providence Mutual Fire Insurance Company, Bunker Hill Home Insurance (NEW!), Farmers Insurance Group, Foremost Insurance Group, Pilgrim Insurance Company (NEW!)

Did You Know?

- We are online at www.michaudinsurance.com where you can request quotes, endorsements, certificates of insurance, and read all our past newsletters. You can also sign up for e-newsletters!
- We are excited to now be writing house insurance with Bunker Hill Home Insurance and commercial auto policies with Pilgrim Insurance Company!
- Plymouth Rock Assurance just launched their new website where you can:
 - Review or print your current policy
 - Make a payment
 - Receive policy documents and bills via email
 - Get reminders of upcoming license renewals, vehicle registration renewals and expiration of inspection stickers
 - Sign up for e-newsletters
 - Motor club discounts, ask us if your club applies
 - Multi policy discounts with Bunker Hill Home Insurance
 - Go to www.prac.com and sign up now!
- That Safety Insurance now has:
 - Online bill pay
 - Combined billing for your home and auto policies!
 - The "Safety Shield" that adds on enhanced features on your auto policy
 - Safety Supreme, Select and Complete that add on enhancements to your homeowner policy
 - Multi policy discounts
 - Go paperless on combined billing accounts and receive discounts
 - For more information go to www.safetyinsurance.com
- Providence Mutual has an online tool to view your bill and due date and has recently added the online payment feature for you to pay your bills. Please visit www.providencemutual.com for more information.

You can now pay
your bills online for
Safety Insurance,
Plymouth Rock
Assurance and
Providence Mutual
Fire Insurance
Company!

If you do not have access to a computer please feel free to call us with your checking account number and routing number. We will be happy to pay your insurance bill online for you.

· WE NOW TAKE ALL MAJOR CREDIT AND DEBIT CARDS ·

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- Uniforms • Dresses • Suits •



Michaud Insurance Agency
105 Haverhill Street
Methuen, MA 01844
P. 978-685-2549 f. 978-794-0822
trudylawler@michaudinsurance.com

PRSR STD
US Postage
Paid
Permit No. 432
Lawrence, MA

Check us out online at
www.michaudinsurance.com

Michaud Insurance Agency has one mission in mind and has been practicing it since 1979 when we were founded. It's simple: to design an insurance program that uniquely meets the needs for each of our customers. We aim to provide a comfortable and friendly atmosphere for each customer to build lasting individual relationships.

Our licensed, professional staff provides superior services by working directly with you to secure the coverage required to meet your current needs. We work hard at anticipating our customer's needs, and continue to offer competitive solutions to meet your ever changing requirements. At Michaud Insurance, we continually search for the best combination of insurance coverage and price, offering real value to our customers.

Happy Holidays from all of us here at Michaud Insurance Agency! May the new year bring you happiness and prosperity in these ever changing times. We thank you for your continued patronage, we consider ourselves blessed to have exceptional customers that continue to make our Agency grow to better serve your needs.

Sincerely,

Trudy, Linda, Yanira, and Tricia

