

A **personal umbrella policy (PUP)** is extra liability insurance that kicks in when your other policies (like auto, homeowners, or renters) reach their limits. Think of it as a financial safety net that goes *above and beyond* standard coverage.

What an Umbrella Policy Covers

1. Excess Liability

- Extends the liability limits of your auto, homeowners, or renters insurance.
- Example: If you cause a car accident with \$600,000 in injuries and your auto policy only covers \$300,000, your umbrella policy could cover the remaining \$300,000.

2. Legal Defense Costs

- Covers attorney fees, court costs, and legal settlements, often even if the lawsuit is groundless.

3. Personal Liability Beyond Standard Policies

- Protects you if someone sues you for injuries on your property, libel/slander, or property damage you cause.
- Can also cover incidents not included in your base policies (depending on the insurer).

4. Worldwide Coverage

- Typically applies anywhere in the world, not just in the U.S.

What It Usually Doesn't Cover

- Your own injuries or property damage (it's liability only).
- Business-related claims (unless you add a special endorsement).
- Intentional or criminal acts.
- Liability from contracts you signed.
- Certain recreational vehicles, boats, or rentals unless specifically added.

Bottom Line

A personal umbrella policy provides **high-limit, broad liability protection**—usually in increments of **\$1 million**—at a relatively low cost. It's especially valuable if:

- You have significant assets or savings to protect.
- You own property, rent it out, or have a pool/trampoline (higher liability risks).
- You want peace of mind against lawsuits that could exceed your base coverage.