The *layer* above everything else.

An umbrella policy is what sits on top of your auto and home liability — and catches everything that exceeds them. **If you've built any real net worth, this is the cheapest dollar of protection on your balance sheet.**

1 WHY THIS MATTERS

Your home and auto policies usually cap liability at $300,000–$500,000. A jury verdict doesn't care about that cap. Whatever the judgment is above your underlying limit comes from your assets — investments, home equity, future income — unless an umbrella sits in between.

- **Teen driver?** The statistics are not in your favor.
- **Swimming pool, trampoline, dog, or guests in the home?** Premises liability lives here.
- **Boat, jet ski, or rental property?** Each adds an attack surface.
- **Public profile — board seat, business owner, social media?** Settlement targets get sized to the defendant.
- **Net worth above $1M?** You're now worth suing for real money.

2 HOW TO SIZE IT — OUR RULE OF THUMB

Round up your **investable net worth** (everything outside your primary residence and qualified retirement accounts in Ohio) and the next ten years of after-tax income. Buy at least that much. Then round up to the nearest million.

Investable assets (taxable + the at-risk portion of retirement)	**$1,200,000**
Home equity above the homestead exemption	**$300,000**
10 years of after-tax earnings (income stream a plaintiff can target)	**$1,500,000**
Suggested umbrella coverage	**$3,000,000**

Sample household. Yours is different — we'll walk through your actual numbers together. Ohio's homestead and ERISA protections shield more than people realize, but a court order can still attach future income.

3 WHAT IT COVERS — AND WHAT IT DOESN'T

AN UMBRELLA GENERALLY COVERS	IT DOES NOT COVER
Bodily injury & property damage you cause to others — above your auto/home limits	Damage to your own property or vehicles
Libel, slander, defamation — including online	Intentional or criminal acts
False arrest, invasion of privacy claims	Business activities (need a commercial policy)
Legal defense costs — usually *outside* the liability limit	Professional liability (E&O, malpractice)
Liability from rental properties & recreational vehicles	Workers' comp for household employees (separate rider)

4 WHAT IT COSTS (OHIO, TYPICAL)

COVERAGE LIMIT	SINGLE HOUSEHOLD, CLEAN RECORD	TWO CARS + TEEN DRIVER
$1,000,000	**$200–$350 /yr**	**$400–$650 /yr**
$2,000,000	**$300–$500 /yr**	**$550–$900 /yr**
$5,000,000	**$550–$900 /yr**	**$950–$1,500 /yr**
$10,000,000	**$1,000–$1,800 /yr**	**$1,700–$2,800 /yr**

The first million is the most expensive. After that, each additional million is dramatically cheaper — which is why most clients carrying any umbrella should consider going larger.

5 THE FINE PRINT THAT ACTUALLY MATTERS

- **Your auto & home limits must hit a minimum** for the umbrella to attach — usually $250K/$500K bodily injury auto and $300K homeowner liability. Carriers will tell you what they require.
- **The umbrella drops if the underlying lapses.** If you let auto coverage lapse and have an accident, the umbrella may not respond.
- **One carrier is usually simpler.** Buying umbrella from the same insurer as auto/home avoids gap fights and qualifies for multi-policy discount.
- **List every driver and every vehicle.** Unlisted drivers are a coverage exclusion waiting to happen.
- **Review at every life event.** New driver, new home, new business, new rental, kids off to college — call us.

The most expensive mistake: a $1M umbrella on a $4M net worth. The umbrella exhausts; the plaintiff continues. Size it for the verdict, not the premium.

A NOTE FROM MPM

Umbrella is one of the few places in financial planning where the math is honestly easy: cheap premium, catastrophic protection, decades of peace of mind. We'd rather have a thirty-minute conversation about your coverage limits now than a thirty-month conversation about a judgment later.

Sources: Insurance Information Institute (III) annual umbrella liability pricing benchmarks; National Association of Insurance Commissioners (NAIC) claim data; Ohio Department of Insurance for state homestead and ERISA protections. Pricing ranges are illustrative; actual quotes depend on carrier, household composition, and prior claims history.