



**Dec. 15, 2022**

### **What's an Umbrella Policy?**

A personal umbrella policy provides coverage for liability and defense costs your primary insurance, such as auto, homeowners, and renters insurance policies, do not cover. As you assess your risks, you may want to consider an umbrella policy to provide additional protection.

### **What will a personal umbrella policy cover?**

- An umbrella policy may cover liability claims your primary policy does not cover. It can also pay for liability and legal defense costs that exceed the amount your primary insurance policy will pay.
- Umbrella policies cover situations you are held responsible for, including bodily injury, property damage, or personal injury.

### **What is not covered under umbrella policies?**

- Umbrella policies will not pay for damage to your home or vehicle. For example, your umbrella policy would not cover hail damage to your car if your auto policy does not cover it.
- Punitive damages (e.g., drunk driving because a person consciously chooses to drink, knowing this could injure someone).

### **About the National Association of Insurance Commissioners**

As part of our state-based system of insurance regulation in the United States, the National Association of Insurance Commissioners (NAIC) provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally.