



**For Business**  
**Umbrella Liability Insurance-Cost Effective Coverage**  
**to Fill Gaps in Liability Exposures**

You do all the things you think you should do to operate your business safely for employees and your customers. Today, just the minimum liability insurance policy may not be right for you. Extra coverage, called 'umbrella' insurance, is not expensive and is a wise move for most businesses.

The old adage *it never rains but it pours* seems particularly fitting when assessing your business umbrella liability insurance. Recognizing that one size never fits all, **umbrella liability insurance** provides businesses with an extra layer of coverage over and above standard liability policies. The International Risk Management Institute (IRMI) notes the following about small business umbrella liability coverage:

- It provides excess limits when the limits of underlying liability policies are exhausted by the payment of claims,
- It drops down and picks up where the underlying policy leaves off when the aggregate limit of the underlying policy in question is exhausted by the payment of claims, and

- It provides protection against some claims not covered by the underlying policies, subject to the assumption by the named insured of a self-insured retention.

Designed to protect your assets by kicking in when your primary commercial general liability (CGL) coverage is exhausted, commercial umbrella liability insurance is designed to fill coverage gaps. The addition of **umbrella liability insurance** or excess liability is much like adding another brick to your insurance foundation. Each brick is a layer of protection that is triggered should the limit in the underlying policy be used up.

### **Gap-Stopping Business Umbrella Liability Insurance**

A typical Canadian business carries \$2,000,000 to \$5,000,000 in primary CGL limits. In some jurisdictions in Canada some personal injuries claims exceed \$10,000,000.

All too often, jury awards and out-of-court settlements run into millions of dollars after a worst-case scenario happens. Should your business be found legally responsible for injuring someone or damaging their property, without umbrella liability insurance, anything beyond the limits of your standard **commercial general liability insurance** will come out of your bottom line.

### **Umbrella Liability Insurance – 4 Key Small Business Insights**

When selecting a limit for your business umbrella liability insurance, take time to consider:

1. **Does your industry, profession, location, or the products you make or sell make your business an easy target for a big settlement?**
2. **Do other businesses in your industry carry higher limits? If so, why?**
3. **What is the cost for additional umbrella liability insurance limits?**
4. **Do clients regularly visit your bricks and mortar location(s)?**

It is notable **that the cost for each million dollars of business umbrella liability insurance coverage decreases with every million dollars of coverage purchased.**

Additional umbrella liability insurance can be relatively inexpensive when compared to the added peace-of-mind and coverage your organisation will gain.

We can help you get quotes for business umbrella liability insurance today. 100% locally owned, Gateway Insurance Group serves more than 1,200 small business clients across the region and across the country.

*To find out more, contact us anytime at 1-855-390-9300 or [info@gatewayinsurance.ca](mailto:info@gatewayinsurance.ca).*