

**Subject:** Greenleaf Newsletter: Eight Reasons to Contact Your Insurance Agent. Plus, Umbrella Insurance is for Everybody.

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**From:** Greenleaf Financial Group

**To:** info@greenleaf-fg.com

**Hello Greenleaf,  
Welcome to Our Client Newsletter**

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- **Do You Need Umbrella Insurance? Is it Worth the Cost?**
- **Market News: A Quiet Month**

**Eight Reasons to Call Your Insurance Agent**

Most people give little thought to their auto insurance and homeowners insurance. Avoidance or inaction can be a costly mistake. If any of the following apply to you, make an appointment with your insurance agent to confirm or upgrade your liability and other relevant insurance coverage.

Alternately, if your circumstances no longer include the following risks, then contact your agent about adjusting your insurance.

***Question:***

**Do I Need Umbrella Insurance? Is it Worth the Cost?**

*Answer:* Yes and yes. The cost of umbrella insurance is relatively modest and the coverage is relatively expansive. In essence, umbrella insurance protects you and your assets from expensive lawsuits.

**How does it work?**

Umbrella insurance expands your liability coverages beyond what you can get in in

**Market News:  
A Quiet Month**

The U.S. stock market has been noticeably quiet thus far in April. For the past three weeks, the S&P 500 Index has risen just 0.6%. If this holds for the rest of April, it will be only the fourth time in the past five years that the index has moved less than 1% up or down in a month.

This lack of movement speaks to the

You Have a Long Commute.

The more miles you drive, especially in dense traffic, the greater your risk of an accident. Each year in the US, about 4.5 million people are injured in car accidents and another 40,000 people die. Make sure your coverage is appropriate for your level of regular driving.

You Have a Second Home

A second home or vacation home can be unsupervised for long stretches. Plus, the more houses you own, the greater your exposure to liability.

You Have a Second Home that You Sometimes Rent Out

Your standard homeowners policy may not cover losses while your home is rented.

You Hire Domestic Help

If you regularly have a nanny, housekeeper, cleaning person, gardener, or caregiver in your home, make sure you have the right insurance. Your umbrella policy may be enough, but workers' compensation coverage or -- an endorsement -- might also be necessary.

You Have a Teenage Driver.

Young drivers are at greater risk for accidents. Do not wait to add a new driver and do not stick with the minimum amount of liability insurance.

You have a Swimming Pool.

Swimming pools are often called "attractive nuisances" by insurers, meaning they are

your auto insurance and homeowners insurance.

For example, most home insurance policies have a maximum \$300,000 in liability. An umbrella policy would cover amounts -- when you are found liable -- above \$300,000.

**When would I need it?**

Most large lawsuits involve auto accidents. Perhaps you rear-end another auto driver, causing physical harm to the driver. That person claims they can no longer do their job and they sue you for loss of earnings. There are many high earners in the worlds of medicine or sales or high tech or entertainment or the law. Even good, defensive drivers should carry umbrella insurance.

Another example is a lawsuit that stems from an accident on your property, such as a kid who is accidentally injured at a birthday party, a dinner party guest that drives recklessly on the way home and causes harm, or a worker who has an accident on your property. In all cases, you could be sued for negligence.

**How much does it cost?**

Umbrella insurance is usually sold in \$1 million increments. The first million typically costs \$300 to \$400 per year. Each additional million in coverage typically costs another \$200 or so per year.

uncertainty of the near future. Opinions are mixed about the future course of interest rates, which has been the key variable behind market movements over the past year plus. The unknown effect of the coming debt-ceiling showdown and the level of corporate profits will both become more clear as the summer progresses, but they also have murky outlooks now.

Furthermore, while recession predictions are still fairly common, unemployment has stayed near record low levels.

Still, it's not unusual for the market to pause after its earlier rally. For the year, the S&P 500 Index has moved up more than 7%.

In contrast, international stock markets have not been complacent, instead showing strong gains for the trailing month. The U.S. dollar has been falling and this has provided a tailwind to international stocks owned by U.S. dollar-based investors. China's reopening is also positively influencing many non-U.S. stocks.

dangerously attractive to children. Insurance and your own careful actions are both key protections for you.

You have a Trampoline or a Tree House

Trampolines and tree houses are fun, but risky. Review your policies with your agent if you aren't sure about your coverage.

You Coach a Youth Sports Team.

Many leagues have some liability insurance, but it's wise to ask your insurance agent if you should have extra coverage as an individual.

In conclusion, insurance is an area where you should not skimp. Make sure all of your policies -- home, auto, and umbrella -- do not have exclusions for your activities or circumstances.

If an incident occurs, it's far better to have your insurer and their attorneys handling the stress, time, and cost of a lawsuit.

**How much coverage do I need?**

Since your umbrella policy works with your auto and homeowners insurance, you will likely need to purchase your umbrella policy from the same insurance provider as your other policies.

If you feel you have no major risks (see the column to the left), then a \$1 million umbrella policy may be enough.

If, however, you have more areas that insurers would consider risks, then buy a larger policy. A larger level of assets means you have more to lose in a dispute.

You can always reduce your coverage down to \$1 million when your kids are adults or you retire and stop commuting.

**Business Insurance**

Finally, when hiring workers or companies, give some thought to their insurance. Staffing or temp agencies typically have insurance, but a freelance handyman likely won't. Ask about their insurance. Given a choice, it's wiser to hire someone with the proper business insurance.

As with other forms of insurance, we hope that you will never need your umbrella policy, but if you need it, we know you'll be very glad you have it.

We've already seen expectations for the weaker U.S. dollar to benefit large domestic companies. Some 60% of S&P 500 revenue comes from overseas and, for the year, large companies have outpaced small companies.

All in all, there are many good reasons to be invested even when this unusual stretch of calm ends.

We are always happy to discuss your investments and your concerns with you. If you have a question, please contact us!

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