



Liability exposures

Real-life claim examples

The following examples demonstrate the importance of personal excess liability insurance:

Underinsured motorist

A recently retired executive was looking forward to spending his “golden years” with his family. While en route to his granddaughter’s soccer game, he was rear-ended by another driver. He lost control of his vehicle and it rolled over. Tragically, he sustained fatal injuries. The driver who caused the accident had policy limits of only \$400,000—not nearly enough to properly compensate the estate and family for their loss.

High-powered golf cart

Many owners of large estates utilize golf carts to navigate their properties, and some spend large sums of money to “soup up” the carts with gas-powered engines and high-end stereo systems. These upgrades are akin to the features inside an automobile but, unlike cars, golf carts lack safety equipment such as seat belts and air bags. A 16-year-old was driving just such a golf cart with a friend to the country club located a short distance away in her gated community. While traveling at a fairly fast speed and with the music blaring, the teen made a sudden left turn. Her passenger was ejected from the cart, sustained a serious head injury and had to be air-lifted to a nearby hospital. The accident resulted in a seven-figure settlement.

Charity event at the home

A couple offered to host a charity auction at their estate. During the set-up, several workers arrived to deliver the items up for bid. The housekeeper barred the workers from moving a rather large item through the home. Instead, she instructed them to take a route around the side of the house and through the pool area. The tiled patio was wet due to the morning dew, causing one of the workers to fall, fracture his wrist and fall into the pool—where he almost drowned. He later developed a chronic/progressive neurological disorder with no known cure. Although they weren’t even on the property at the time, the homeowners were sued; they were vicariously liable for their staff member’s actions and the subsequent injuries.

Malicious prosecution

A private collector loaned a famous painting to a family member and later requested its return. The relative refused, claiming that the painting had been a gift. In response, the collector contended it was stolen; he filed a police report and litigation ensued. Additionally, the collector sent unflattering e-mails about the relative to various individuals in the art community. The painting was eventually returned and the collector dropped the theft lawsuit. However, he was then sued by the relative for malicious prosecution and defamation.

Employment practices liability

A housekeeper who worked for the same family for nearly 15 years filed a wrongful employment claim against her employer. The lawsuit consisted of more than 20 counts, including wrongful termination, sexual harassment, false imprisonment and invasion of privacy. The family members, including the children, were forced to testify during a lengthy trial, which ended with a hung jury. Although the case was ultimately settled, over \$1 million in legal fees had been incurred.