

GROUP PERSONAL EXCESS LIABILITY INSURANCE PROGRAM

Group Personal Excess Liability Insurance is a benefit provided by a sponsoring organization to its partners, executives, or board members. This program provides senior executives access to high personal liability limits at attractive premiums and with minimal underwriting. The cost of the program can be funded by the organization or by the individuals that choose to enroll.

PROGRAM BENEFITS

Personal Excess Liability insurance provides liability protection above primary Homeowners, Automobile, Recreational Vehicle, Watercraft, and other personal liability insurance. Program highlights include:

- **Asset Protection:** Covers the individual and household family members against personal liability lawsuits and covers legal defense costs for a covered loss.
- **Premium Savings:** Significant premium savings compared to a retail policy.
- **High Coverage Limits:** Up to \$50 million of liability and \$1 million of Uninsured Motorist coverage can be secured through a group policy.
- **Broad Eligibility:** As a group program, there is very little individual underwriting.
- **Ease of Administration:** Policy is issued at a guaranteed annual premium. As such, there is no need to adjust the policy to reflect changes in exposure such as driving information or the number of owned homes, vehicles, and watercraft.
- **Flexibility:** Policy can be tailored to include retired executives as well as newly hired senior employees.

PROGRAM COST SAVINGS

A group policy is usually less expensive than an individual policy. The following table compares sample group premiums to individual insurance costs. Premiums vary depending on the size and location of the group.

Liability Limit	Uninsured Motorist Limit	Group Premium per Participant	Sample Retail Premium*
\$5 million	\$1 million	\$700	\$800
\$10 million	\$1 million	\$1,150	\$1,400
\$15 million	\$1 million	\$2,200	\$4,200
\$20 million	\$1 million	\$3,250	\$5,500
\$25 million	\$1 million	\$4,300	\$7,500
\$50 million	\$1 million	\$9,500	\$21,500

*Based on three cars, two homes



As the alternative in insurance brokerage, Frank Crystal & Company provides industry-leading insurance services, solutions, and counsel to corporations as well as individuals. The company provides a highly consultative approach, leveraging its insurance advisory, claims management, risk control engineering, and administrative expertise to the benefit of its clients.

COVERED EXPOSURES

Coverage provided by the group policy is excess of all underlying policy limits (or required limits) per the terms of the underlying policies:

- **Personal Liability:** \$300,000 Single Limit
- **Automobile Liability:** \$500,000 Single Limit
\$250,000/\$500,000/
\$100,000 Split Limit
- **Uninsured Motorist Liability:** \$500,000 Single Limit
\$250,000/\$500,000/
\$100,000 Split Limit
- **Watercraft Liability:** \$300,000 Single Limit
\$500,000 Vessels over
26' or 50 Horsepower
- **Recreational Vehicle Liability:** \$500,000 Single Limit
\$250,000/\$500,000/
\$100,000 Split Limit

COVERAGE DETAILS

- **Insured Individuals:** The named executive is the named insured. His/Her spouse and any relative related by blood, marriage, or adoption that is a resident of the same household is also covered.
- **Covered Locations:** All insureds are covered for claims

on a worldwide basis.

- **Limits of Liability:** Liability limits vary per individual (see below on choosing limits).
- **Business Activities:** Liabilities arising out of professional and business activities are not covered as they are typically covered by a separate business policy.
- **Directors & Officers Liability:** While liabilities for personal injury arising out of not-for-profit directorships are covered, those arising out of for-profit directorships are not.

CHOOSING COVERAGE LIMITS

While predicting a liability loss and ultimate settlement amount is largely subjective, individuals should consider their net worth and potential for liability claims. Multiple homes and automobiles, youthful drivers, and high personal visibility can increase the likelihood of a large claim. Generally, the greater the net worth, the greater the damages sought by a third party, requiring higher coverage limits. Frank Crystal will provide all interested individuals with a complimentary personal risk management review to help determine the adequacy of an existing program and to assist in selecting an excess liability coverage amount. To put limits in perspective, some large liability verdicts against individuals have included (see chart below):

Verdict	Year	Event
\$44,608,274	1997	Auto Accident - Injury resulting in significant hospital time and death
\$30,550,000	1992	Auto Accident - Injury resulting in severe mental deficiency
\$19,481,881	1998	Auto Accident - Injury resulting in moderate brain damage
\$9,500,000	2001	Auto Accident - Bodily injury and brain damage
\$9,000,000	1999	ATV Accident - Injury resulting in severe mental deficiency
\$8,000,000	1992	Premise Injury - Fall from a porch, injury to vertebra
\$5,500,000	1987	Auto Accident - Pedestrian suffered brain injury
\$4,600,000	2000	Pool Accident - Injury resulting in brain damage
\$8,000,000	2000	Wrongful Death - Employee assaulted tenant

All coverages are subject to the terms and conditions set forth in the insurance policy. Persons in need of specific insurance information are invited to contact the insurance advisors at Frank Crystal & Company. Frank Crystal & Company does not assume liability for any error, deficiency, or losses allegedly resulting from the use of this document.