



Do You Have Liability Protection?

The risks to your wealth aren't only in the financial markets.

The wealthier you become, the more liability protection matters. We live in a litigious world, one in which even friends and neighbors can be convinced to see opportunity in the wake of misfortune.

A (larger) umbrella liability policy may be an excellent idea. Could you afford a six-figure drawdown of your personal assets to settle a lawsuit? Ideally, you have umbrella liability coverage with a limit that equals or exceeds your net worth. The premiums are reasonable: \$1 million of coverage commonly costs \$150 to \$300 per year, according to the Insurance Information Institute. Premiums may then rise only incrementally for larger policies. You may want to consider both general and professional liability coverage, the latter of which protects a business against damage done by its services or products.¹

Consider creating an LLC or S corp. If you own rental property, setting up a limited liability or S corporation can be a wise move. If tenants want to sue for any reason, they will be suing the corporate entity rather than you. Your other personal assets will be shielded from their claims.²

What degree of liability protection do you have now? Many high net worth professionals and business owners are inadequately covered against "predators and creditors." This is worth a conversation. Real wealth demands an advanced asset protection strategy.

Securities and advisory services offered through LPL Financial, a registered investment advisor. Member FINRA/SIPC.
LPL Financial Representatives offer access to [Trust Services through The Private Trust Company N.A.], an affiliate of LPL Financial. To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of and makes no representation with respect to such entity.

Not FDIC or NCUA/NCUSIF Insured	No Bank or Credit Union Guarantee	May Lose Value
Not Insured by any Government Agency		Not a Bank/Credit Union Deposit

¹ thetreet.com/story/13919526/5/why-you-should-add-liability-insurance-to-your-new-year-s-resolutions.html [1/8/17]
² entrepreneur.com/article/244627 [5/7/15]