

# Real-Life Claims: The Cost of Cutting Corners

Why Every Business  
Should Consider Excess  
Liability Insurance



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At VGM Insurance, we are always looking for ways to help our clients manage their risk and ensure they have the coverage they need. By identifying possible gaps in our customers' coverage, we have helped many businesses escape the wrath of devastating financial disasters.

There's nothing worse than thinking you're covered in case of a claim—only to later discover you're not. Excess Liability insurance is an extra layer of protection to eliminate this scenario. It places an additional limit on top of the existing limits attached to liability policies, including General Liability, Business Auto liability, and Workers' Compensation liability.

Here's an example of a real-life case where Excess Liability coverage could have prevented the loss of one business owner's dream.

## Caught in a Blind Spot

*After years of hard work, you've finally reached your goal of doubling your client base and your employee count. Business is booming, and along with the satisfaction of marking a major milestone in your business, you also are completely overwhelmed. You are struggling to keep up with your daily tasks, so you finally take your peers' advice and hire an assistant.*

*Whew. What a relief. You feel caught up on projects and everything seems to be running smoothly. You decide to reward your team with takeout from the new restaurant in town. Your assistant makes the order and checks out a company vehicle to pick up lunch.*

*While driving back to the office, your assistant was cut off in traffic. While quickly veering to the left lane, a minivan was in your assistant's blind spot and crashes head on with your company vehicle. Seven people were in the minivan, including three children. Everyone survived, including your assistant, who sustained minor injuries, but several of the minivan's occupants received catastrophic, life-altering injuries.*

*While you are thankful everyone survived, the news is devastating. You report the accident to your insurance agent, and they begin the process of notifying your Business Auto carrier for coverage.*

*A few weeks later you get a call from your agent. They tell you that the limits on your Business Auto policy have been met, leaving no more coverage for the remaining incurred expenses.*

*You hang up the phone in bewilderment. How could this be? You took almost all of the advice of your insurance agent and signed up for each coverage option they recommended—except Excess Liability. Later, you discover if you'd had the Excess Liability coverage, it would have covered the cost of the additional liability, and might have saved your business.*

## Going the Extra Mile

The owner in this case clearly cared about their business and their employees. Unfortunately they didn't consider the impact that worst-case scenarios could have on their business.

The number one lesson from this real-life example is that all business owners should talk to their insurance provider about adding Excess Liability coverage. It's best to be over prepared and ensure your business has the protection it needs to withstand even the most catastrophic claims or lawsuits. Not only are these types of claims the ones that make headlines, they're also the ones that can close businesses.

Owning a business is difficult enough without worrying about what the future may hold. Excess Liability coverage is the solution you need to provide peace of mind and allow you to run your business with confidence. To learn more about this important coverage, check out our blog, [What Is Excess Liability Coverage And Why Do You Need It?](#)

For more information about how you can minimize risk for your business, and to ensure you have adequate coverage, reach out to your VGM Insurance Services Account Manager, or contact us today at [info@vgminsurance.com](mailto:info@vgminsurance.com) or **800-362-3363**.

