Asset Management for Downside Risks, for High-Income Clients and Small-Business Owners

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ABSTRACT

Many consumers believe homeowners insurance and automobile insurance are commodities, to be bought based on price alone because coverage is the same. Some insurers market towards this angle. But coverages vary and need to be considered first if the insurance is to protect the wealth accrued. High-income clients with high-value homes and possessions have even greater need for the right or customized coverages. Many quality insurers can adequately address these exposures, especially when the insurance is crafted to the exposures; a few insurers market exclusively to this sector. Advisors to high-income clients also need to consider coverages for their clients' business exposures. This article will examine the exposures and insurance coverages for high-income clients and their closely held businesses.

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Financial advisors (wealth managers) rightly focus on increasing client wealth through asset management and tax minimization. Advisors also understand that asset growth plans can be crushed if the client suffers a major property or liability loss. Thus proper exposure analysis and insurance coverage are crucial for planning to protect against these downside risks. Getting the property and liability insurance right is important for middle-income clients and is essential for high-income clients. This means building up the basic homeowners policy with proper limits and endorsements or getting a specialized policy designed for high-net-worth clients, using high limits on automobile policies, and having quality umbrella policies with broad coverages. Privately held corporations (S corporations, limited liability companies [LLCs]) also need appropriate insurance, such as directors and officers coverage, employment practices liability if there are any employees, errors and omissions, cyber, crime, business automobile, plus the usual general liability and property coverage, to name key coverages.

Many consumers buy insurance based on price with little regard for what the insurance actually covers. Price is important; money spent on insurance is not available for consumption or investment. Some property-casualty insurers advertise that price is all that matters and insurance is a commodity where all the coverage is the same. Some consumers believe this.

To compete on price, often coverages are cut. There is a reduction in coverage that otherwise exists on industry standard forms or other standard forms used by mainline insurers,[1] with the result that claims that would have been covered under a standard policy are uncovered on the discount policy. That is when the insured discovers that for $50 or $500 or some amount the expensive loss would have been fully insured.

Insureds in middle-market segments and in high-value segments both face many common exposures, thus giving rise to standardized policy forms. Middle-market coverages offered by quality mainline companies are very good, based on the basic homeowners-types of policies (homeowners, renters, condominium owners), and the policies can be excellent when knowledgeable advisors assess the exposures properly, thereby setting sufficient limits for the structure and contents, and sufficient sublimits for things like bulk value of inexpensive jewelry or modest silverware collections, and adding important endorsements suitable for the exposure to provide a broader coverage that better serves the insured. Failing to modify the policy can result in uncovered losses that could easily have been covered at modest cost. Emplacing personal umbrellas and personal articles policies when necessary—as they often are—fills out the insurance for most people. High-income insureds with multimillion dollar properties need even more attention to getting the exposures and insurance right. Mainline insurers provide excellent coverage for this segment too, while some insurers specialize in coverage for the high-net-worth crowd, with broader coverages and services not available by the mainline insurers.

Following are some ways that insurance can be crafted to better protect against asset losses due to risks to property or liability claims.

Homeowners Insurance—Property Exposures to the Structure

Homeowners need homeowners insurance for their owner-occupied properties, whether a $100,000 property or a $10,000,000 property, meaning either the Homeowners 3, Special Form policy (HO-3) or the Homeowners 5, Comprehensive Form policy (HO-5). The HO-3 provides open perils coverage on the structure, and named perils coverage on the contents. Open perils coverage means the structure is insured for almost anything that causes a loss, except exclusions such as wear and tear, failure to maintain heat, flood, earth movement, mold/fungus, pollution, etc. The contents are covered against specified perils: fire, hail, explosion, windstorm, water intrusion (except flood), falling objects like trees and aircraft, etc. These named perils are most things one could imagine, so in practice there is very little difference between the open perils and the named perils, and it is nearly inconceivable that a loss could result in insurance paying for damage to the structure but not for the contents. The HO-5 uses open perils for both the structure and the contents, making it a slightly better policy. Most insurers use the HO-3 or the HO-5 policies, or largely follow them while modifying them in different ways.

A lesser policy is the Homeowners 2, Broad Form (HO-2), which uses named perils for both the structure and the contents. There is little reason to use this policy.

Coverage A is to rebuild the dwelling structure, so the limit should be the estimated cost to rebuild a similar structure with new materials. The coverage limit, or policy value, is set by the insured, or more often set by the agent based on information provided by the insured about the structure. Agents have computer applications to determine this value based on inputs of square footage, materials (molding, floors, kitchen counters, built-in cabinets, finished basements, roof), number of stories, age of structure, and so on. The software is not always right, and legitimate criticisms are made of the accuracy, but unless the insured has better numbers from a contractor, cost estimator, or architect, the software is likely the best method available. Custom-made homes or those with unique features (climate-controlled wine cellars, entertainment or media centers) may require an architect or contractor to give a proper estimate of the cost to replace. High-value homes will definitely be better protected with a professional assessment to set the value.

Endorsements are then needed to add or expand coverages or raise policy limits to fully protect against uninsured or inadequately insured losses to the structure.

Replacement cost coverage essentially means replace old with new of similar quality, subject to the limits of insurance. That is, after a covered loss a 10-year old dishwasher or 20-year old roof will be replaced with a new dishwasher or new roof of similar quality to the damaged items, not with a 10-year old dishwasher or old roof shingles. Yet replacement cost coverage sometimes is insufficient to fully pay the loss because in various circumstances the actual cost to replace can be quite a bit more than the insurance available. Causes of inadequate limits are underestimation of Coverage A, or the failure to update the limit over time to reflect current replacement cost, or a catastrophe loss (such as wildfire, windstorm as tornadoes or hurricanes) that pushes up rebuilding prices for all homeowners in the area, or new building code requirements. The difference between policy limit and actual cost to rebuild is the insured's responsibility, meaning a gap in coverage. This gap can be closed with several endorsements. One endorsement is for inflation adjustment that automatically raises the value each year based on the estimated inflation to home construction. This works reasonably well, yet the insured and agent should still review the policy limits and coverages every few years to make sure the actual amount needed is correct. Another endorsement is extended replacement cost, which can add an additional 25 percent or 50 percent above the Coverage A limit. Some endorsements provide unlimited additional amounts; thus the full risk of replacing the structure regardless of circumstances is transferred to the insurer. California, for example, calls the first version extended replacement cost, the second version guaranteed replacement cost (California Insurance Code § 10102). Some high-end policies automatically include this type of benefit in the definition of replacement cost, either with 50 percent or unlimited amounts. This is particularly relevant where the loss is part of catastrophe loss, which drives up the costs to rebuild for all homeowners, often well beyond the coverage limit even when the limit was correctly set for a stand-alone loss.

Another problem with replacement cost coverage is it largely does not protect against costs when new building codes–such as for energy efficiency, fire safety, plumbing, or water efficiency for appliances, etc.–require different materials and products than those that were in the house before the loss. This is called "ordinance and law" coverage, sometimes "code-upgrade" for short. For example, California, the District of Columbia, Maryland, and some municipalities in Illinois require all new home construction to include fire suppression sprinklers;[2] thus older homes that are rebuilt must include this, adding several thousands of dollars of cost (and very valuable protection of life and property). In earthquake-prone areas, building codes can have seismic construction requirements which will have to be met even if the loss is due to something other than earthquake. In windstorm areas, new codes have structural requirements for roof connections, window protection, and so on. If the structure has not been upgraded to meet the current version of the code, these code-required improvements will have to be made to rebuild the structure after total or near-total loss. The basic policy provides very little protection for this added cost, but the coverage is easily added by endorsement. Some high-end insurance policies include 30 percent ordinance and law coverage in the base policy. So-called "green construction" might also come within the ordinance and law coverage endorsement; some high-end policies include this coverage automatically, even where the insured is not obligated to replace with green materials but chooses to do so.

Foundations are not included in the cost to rebuild, because most structures that suffer a loss will not have damage to the foundation. But extreme heat such as in wildfires or gas explosions can damage the foundation. Houses on hillsides may also have significant risk of a damaged foundation under a covered loss. Because the house will not be rebuilt on a bad foundation, the repair means a major expense the insured will have to bear before work above ground begins. This additional exposure to build a new foundation can be addressed by an endorsement to cover the foundation. (There are also coinsurance reasons why foundations are not included in Coverage A values, a point not important to this paper.) On the other hand, a house built on caisson foundations that bore down 10 to 50 feet to bedrock may not need much repair in case of major loss because the caissons should be largely intact.

Coverage A includes the cost to remove debris, plus an additional 5 percent if necessary. But such costs can be higher depending on property location, local "tipping fees" for drops at landfills, any hazardous materials that require separate handling such as oil tanks (a particular problem for homes in the northeast), complicated geological conditions such as hillsides or limited access roads, and foundations that have to be extracted. An endorsement can add additional amounts for debris removal, or the total value should be increased.

Coverage A includes some coverage for trees and shrubs under some specified perils. Where a total loss destroys adjacent trees and shrubs, or debris removal or construction causes such damage, the Coverage A limit will likely be insufficient, especially for homes with extensive gardens. Here, too, endorsements can bridge this exposure.

Solar and wind power installations and solar-heated water systems, particularly when added years after the insurance policy limits were set, may also change the cost to rebuild.

Homeowners Insurance—Other Property Exposures

Homes and condominiums in planned development communities need loss assessment coverage if a major loss causes damage to the common interest property, such as the recreation center damaged by hurricane or hail, leading the homeowners association to assess its members. The standard HO form provides only $1,000 for this, but an endorsement can raise this amount many times, at small cost.

Neighborhood associations, particularly those in historic areas, may have requirements on rebuilding homes with period construction techniques or appearance, which can push up the cost to repair, though this should be addressed in the cost to rebuild.

Insureds with small businesses operated out of the house—such as a consultancy, computer administration, or stationery, office gift, and trophy suppliers—will need business property coverage for the contents. The basic home office endorsement may be sufficient, but a larger business may require crafting of limits and coverage by special endorsement or even a separate business policy. Liability exposure with the business should also be considered if clients come to the house. (Liabilities are discussed below.)

Along this continuum of business exposures are rentals, whether of units or the whole residence, for short or long periods. The homeowners policy is for owner-occupied dwellings. The single long-term rental, such as by a college student above the garage or in one room, is usually not a problem for the homeowners policy, although there are some limitations. Where people other than relatives and the occasional guest are using the house, the homeowners policy can be inadequate if not completely wrong. Renting out the house, whether occasionally or as a full-time investment, is a business and requires dwelling policy instead of the HO policy, or a business owners policy. A bed and breakfast is a business. Renting out a room with Airbnb or listing it on a bed and breakfast Web site is a business, whether done occasionally or regularly or full time. Recall that business risks are excluded from a homeowners policy. Some news stories report owners buying condominiums to rent full-time on Airbnb.[3] This is both a property risk and a liability risk, should something in the home (fire, food allergy, dog bite, criminal activity) cause harm to the structure or to the guest or his/her property.[4] Insureds are mostly keeping quiet about this to their insurers, though some insureds are raising it as a coverage concern with mixed outcomes from their insurers.[5]

Working ranches, whether with horses or wineries, need to be insured under a farm and ranch policy, with endorsements as appropriate.

Coverage B on the industry standard form (with some variations on particular insurers' forms) is for other structures, such as stand-alone garages, pool houses, sheds, gazebos, the small rental, or mother-in-law unit; the coverage is typically 10 percent of the Coverage A limit as an additional amount. Thus if the Coverage A limit is $500,000, Coverage B will typically provide an additional $50,000 for these other structures. For most homes this will be sufficient. High-end homes may have major secondary structures for pools, tennis courts, or garages for fleets of cars. Large properties best described as compounds may have several structures. While a loss to the main structure such as by fire is extremely unlikely to cause losses to the unconnected structures; a major windstorm could damage several structures. The risk advisor should therefore determine whether limits above the standard 10 percent are needed for these other structures.

Pools, particularly the infinity pool and those on hillsides, create unique risks that must be addressed. Soil erosion or movement may be the greatest exposure though excluded under standard policies.

High-end insurance policies may also provide some coverage against increased mortgage costs should the property have to be refinanced following a major loss. With interest rates low, this is an insignificant risk at present, but in other times it could be a real risk when having to refinance a $10,000,000 home. Similarly, a newly constructed home following a loss might be assessed at a higher value by tax authorities, and thus a higher property tax imposed; again, some high-end insurance policies provide some protection against this.

Financial advisors and lawyers might recommend that a home be transferred into a personal trust. This change will have to be made on the homeowners insurance policy to show the trust as the named insured. Otherwise, in case of loss, the trust is the owner but lacks insurance, and the trust beneficiaries (the former owners) have the insurance but do not own the house. The result is an uncovered loss. The beneficial occupants will also have to be named on the policies for the liability protection, and for the contents that are not owned by the trust. Insurers can work this out, if everyone knows what is going on in advance.

Other details can be listed, but the above should be sufficient to show the kinds of details to be addressed by skilled risk advisors.

Insurance policies are also specific to renters, whose exposure is only to their personal property, and to condominium owners, whose exposure is to their personal property plus their fixtures and improvements within the condominium itself, which can be extensive. Condominium owners need to delineate where the association's responsibility ends for damage within the unit itself; this could be at the walls or might include original installation-quality kitchens and bathrooms, thus leaving the insured responsible for losses to improvements, built-in bookcases, altered walls, and such. This requires adjustments for appropriate coverage on the condominium unit owner's policy. To do this correctly requires an analysis of the association's Conditions, Covenants and Restrictions, and perhaps the deed to the unit, to determine respective responsibilities.

Personal Liability Exposures

Liability exposures arise in many circumstances, and the majority will be covered by the basic homeowners policy that includes liability protection, the automobile insurance, and an umbrella insurance policy that should be in place for most people with any significant assets. Additional asset protection can be implemented through trusts holding assets, including life insurance trusts, IRAs and other deferred income vehicles, and other mechanisms.

In homes, one risk involves renters and tenants. Another is the occasional guest, alone or in parties.

One type of loss reported in many news stories is when balconies collapse, due to deterioration or bad design or faulty construction or overloading when too many guests come to the party, causing serious injuries and deaths.[6] A homeowner's basic liability limit of $100,000 is completely inadequate for this. The homeowner's liability limit can be raised to $1,000,000, yet this is where umbrella policies make the most sense, and even then $5,000,000 or $10,000,000 might be inadequate for all harm caused by the collapse.

Homes that also are the location for a personal business can be a liability exposure if clients or customers visit. This can usually be addressed easily with an endorsement to the homeowners policy, or if appropriate, a separate business liability policy. Guests who are actually customers are a different exposure. Insureds who use their autos and homes for extra income such as by ride sharing and room renting are running businesses, and face serious liability exposures not addressed by standard personal auto and homeowners policies. A paying guest who falls down stairs that were not up to commercial codes for safety, rails, or lighting, or one who suffers a dog bite, food poisoning, allergic reaction, or some injury in the kitchen, will likely be far more demanding for compensation than the friend or relative who visits for a few days. These liability exposures must be addressed with the insurer, or a new insurer found who does cover these.[7]

Homeowners with employed staff face liability risks, both to the staff (perhaps a workers' compensation exposure) and arising from their staff's acts.

Most major liability losses arise from automobiles, where permanent, even catastrophic injuries can result, including death. Here, too, the typical liability limit can be inadequate for the harm caused and the potential exposure to the insured for the loss greater than the policy limit,[8] especially for high-net-worth individuals. The part-time Uber driver using his or her personal car is not covered by the personal auto policy.

An umbrella policy provides higher limits above both the homeowner and the auto policies; limits start at $1 million and rise in $1 million increments, for a few hundred dollars per million dollars of coverage. For people with assets above $1 million or high incomes, a policy limit at least equal to if not above the net worth is advisable. High-net-worth individuals should have policy limits much above this, perhaps in the $20 million to $50 million range, depending on circumstances; this probably means using specialty insurers that cater to this segment, with umbrella policies including broader coverage. An example of the need for an umbrella policy is that of Terry Bollea, also known as Hulk Hogan, whose son caused traumatic brain injury to the passenger when the son crashed the car, and whose $250,000 in automobile insurance was inadequate; Bollea had rejected his broker's advice to obtain an umbrella policy, yet Bollea still sued the broker for failing to provide the umbrella. He lost the case.[9]

Umbrella policies can cover liability losses arising from the use of all-terrain vehicles and golf carts (particularly useful in planned communities),[10] because these are usually not covered by the automobile policy and only sometimes covered by the homeowners policy,[11] though coverage can be added. Umbrella policies can also extend above boat (watercraft) policies, extremely useful protection when the insured's boat runs over snorkelers, swimmers, and water skiers.[12]

Homes with solar power that feed into the utility network might have unique liabilities to consider, depending on state law and the contracts with the utility.

Pools always create liability exposures for harm to swimmers and divers. Unless the insured is a lawyer or risk manager who has guests and parents sign liability waivers before passing the gate to the pool, an umbrella policy will be essential. Neighbors might have liability claims for damage to their property if pools leak water to the neighbor's property, or if the pool causes ground stability or lateral support problems to adjacent landowners, particularly where pools are on hillsides. (Yes, the insured should then claim against the pool designers, installers, geologists, soil engineers, and other contractors, but whether he/she has sufficient insurance and resources is a separate risk to be managed.)

Social media and blogging increase the risk of defamation claims, as many lawsuits have proven, leading to attorneys' fees to defend the claims, and sometimes to large verdicts,[13] which can be covered by the umbrella policy and sometimes by the homeowners policy if it was endorsed to include personal injury coverage. The problem with defamation claims is that if proven, the claims can trigger the intentional acts exclusion on the insurance policy, thus ending coverage for the judgment (though the defense costs might still be covered). Bloggers have sometimes sought to defend their blogs and reports as journalism, which one federal court of appeal has upheld where the blog is about a matter of public concern.[14] (About the same time, the New Zealand high court reached the same conclusion in its own case.[15]) This can be an effective legal defense, but might then curtail the insurance coverage under the blogger's homeowners or umbrella policy if the journalism is deemed a business pursuit. At this point it is too soon to tell what the right insurance solution will be, and probably too much to expect bloggers to get media liability policies. A separate but related liability is against parents for their children's defamatory posts, if the posts are not removed promptly.[16]

High-end umbrella policies also add coverage for the insured when serving on the boards of not-for-profits, thus serving as an excess directors and officers policy.

Employer Liability or Employee/Individual Liability

As the line blurs between the work world and the personal world, liability lines also blur. Employers have workers' compensation exposures when employees are injured working at home "if an employer, for its own advantage, demands that a worker furnish the work premises."[17] Thus various falls at home are covered under workers' compensation if the employee works at or from home.[18] More significantly for assessing personal insurance needs, employees who engage in social media for work and personal use also blur the line: if the post is ostensibly on behalf of the employer, then a liability claim arising therefrom should be covered by the employer, although the employer may contend the improper post was outside the course and scope of work, thus trying to shift the loss to the employee. Where insurance coverage lands will depend on the facts and the insurance policy. Current examples of disputes over business or personal use of social media are lawsuits over who owns LinkedIn accounts, where the employer contends it owns the accounts while the employee contends the accounts are for personal use.[19]

Business Insurance Exposures

Coverage for business risks is essential; this article offers a basic review. Basic property and liability insurance is needed. A crime policy is essential because bank protection for consumers against unauthorized withdrawals, such as by phishing scams and other theft against bank accounts, does not extend to businesses' bank accounts.[20] Cyber insurance is now a basic coverage that every business should have; some cyber policies include crime coverage for unauthorized bank transactions, which then must be integrated with crime policies. Errors and omissions insurance specific to the work of that business is a necessity for professionals and most other occupations, even many trades. Private companies, except for the smallest, should have directors and officers insurance, employment practices liability coverage, and fiduciary liability coverage.

Business automobile coverage is a complex area that needs to be addressed. Sometimes business auto coverage is easily added as an endorsement to the personal automobile policy, such as where the business is an LLC or an S-corporation owned by a single person or a family. Most businesses need a business automobile policy even where the vehicles are owned by the members or employees because the business will be liable for the acts of its members and employees while driving. Where the business provides the vehicles, coverage gets more complicated. The insured with a business vehicle and business auto coverage provided by the company may still need separate nonowned auto coverage. The complexities of this area far surpass the personal automobile insurance policies, and are beyond what can be addressed in this article.

A commercial umbrella policy is also appropriate.

Businesses which have buy-out agreements of LLC members or partners have a contingent liability of needing cash should the buy-out be triggered by the death of the member or partner. Cash assets may be sufficient for this, or the business should consider a key-man life insurance policy on each member or partner. The many uses and tax concerns of company-owned life insurance are beyond the scope of this article.

Conclusion

Solid financial plans focus on wealth accumulation and preservation, asset management, and tax planning. Even where investments succeed and assets accumulate, the clients are exposed to major losses if the client suffers physical damage to the property, or incurs major liability arising from accidents of various types, all of which can seriously reduce if not destroy the client's wealth. Property and liability insurance is thus essential to wealth preservation, but the insurance is only as good as the coverage selected. Good coverage is not a commodity; it is a necessity that requires careful assessment and selection. Financial advisors should be as careful with the property and liability risks as with the other investment risks, and engage skilled insurance advisors when situations warrant. ■

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(1) William C. Wilson Jr., "Is Personal Lines Insurance a Commodity?" *CPCU Society Insights* (Fall 2014), pp. 10-13.

(2) See compilation of sprinkler requirements by state, accessed at: http://firesprinklerinitiative.org/legislation/sprinkler-requirements-by-state.aspx.

(3) William Alden, "The Business Tycoons of Airbnb," *New York Times Magazine,* (Nov. 25, 2014), accessed at: http://www.nytimes.com/2014/11/30/magazine/the-business-tycoons-of-airbnb.html_r=0.

(4) The HO-3 excludes coverage for "property of roomers, boarders and other tenants, except property of roomers and boarders related to an 'insured'," and property of tenant or resident "arising out of (1) a 'business' engaged in by the 'insured.'"

(5) See, for example, Ron Lieber, "The Insurance Market Mystifies an Airbnb Host," *New York Times* (Dec. 20, 2014), p. B1; and Ron Lieber, "A Liability Risk for Airbnb Hosts," *New York Times* (Dec. 6, 2014), p. B1. Also see Caterina Pontoriero, "5 Airbnb Horror Stories That Will Keep Insurers Up at Night," *propertycasualty360.com,* (July 1, 2014), accessed at: http://www.propertycasualty360.com/2014/07/01/5-airbnb-horror-stories-that-will-keep-insurers-up.

(6) See, for example, regarding balcony collapse: Susan Sward, "Landlord to Pay $12 Million in Fatal '96 Deck Collapse," SFGate, (April 9, 1998), accessed at: http://www.sfgate.com/news/article/Landlord-to-Pay-12-Million-in-Fatal-96-Deck-3009451.php. Regarding deck collapses see: "3 Critically Injured In Deck Collapse At Oakland Hills Home," *CBS SF Bay Area,* (September 14, 2014), accessed at: http://sanfrancisco.cbslocal.com/2014/09/14/several-injured-deck-collapse-oakland-hills-home/; and Associate Press, "13 Injured in GA Deck Collapse," *myfoxatlanta.com,* (May 18, 2014), accessed at: http://www.myfoxatlanta.com/story/25548435/13-injured-in-ga-deck-collapse. Regarding deck rail giving way, see: "2 Women, 1 Child Injured in Antioch Balcony Collapse," *The Examiner,* (April 1. 2010), accessed at: http://www.sfexaminer.com/san-francisco/2-women-1-child-injured-in-antioch-balcony-collapse/Content?oid=2133051.

(7) Jacquelyn Connelly, "What's Mine Is Yours: Sharing Shakes Up Personal Lines," *Independent Agent Magazine* (Jan. 12, 2015), accessed at: http://www.iamagazine.com/markets/read/2015/01/12/what-s-mine-is-yours-sharing-shakes-up-personal-lines. Ron Lieber, "A Liability Risk for Airbnb Hosts," *New York Times* (Dec. 6, 2014), p. B1. Ron Lieber, "Dog Bites Airbnb Guest. Who Pays?" *New York Times,* (April 11, 2015), p. B1. David Streitfeld, "Airbnb Listings Mostly Illegal, New York State Contends," *New York Times* (Oct. 16, 2014), p. A1. Carolyn Said, "S.F. Cracks Down on Airbnb Rentals," *SFGate,* (April 7, 2014), noting that Airbnb will start charging and collecting hotel occupancy taxes; accessed at: http://www.sfgate.com/bayarea/article/S-F-cracks-down-on-Airbnb-rentals-5381237.php. Patrick Hope, "Airbnb Will Collect San Francisco Occupancy Tax Starting Oct. 1," San Francisco Business Times, (Sept. 17, 2014), accessed at: http://www.bizjournals.com/sanfrancisco/blog/techflash/2014/09/airbnb-collect-san-francisco-hotel-tax.html.

(8) See a compilation of verdicts in: ACE Private Risk Services, "Targeting the Rich: Liability Lawsuits," *Marsh USA,* (July 22, 2014), accessed at: http://usa.marsh.com/NewsInsights/ThoughtLeadership/Articles/ID/41224/Targeting-the-Rich-Liability-Lawsuits.aspx.

(9) Denise Johnson, "Florida Court Knocks Out Hulk Hogan Claim against Agency," *Insurance Journal,* (May 17, 2011), accessed at: http://www.insurancejournal.com/news/southeast/2011/05/17/198737.htm.
(10) Dianne W. Richardson, *Personal Umbrella,* (Erlanger, KY: National Underwriter Co., 2000), p.49-53.
(11) *State Farm Mut. Auto. Ins. Co. v. Baldassini,* 909 F.3d. 1363 (S.D. Fla. 2012); *Residence Mut. Ins. Co. v. Travelers Indem. Co. of Connecticut,* 26 F.Supp.3d 965 (C.D. Cal. June 13, 2014); *American Strategic Ins. Corp. v. Helm,* 759 S.E.2d 563 (Ga. App. 2014); *Progressive Cas. Ins. Co. v. McCrea,* 2010 WL 2108965 (Conn. Super. Ct. 2010). *Herring v. Horace Mann Ins. Co.,* 795 So.2d 209 (Fla. App., 2001).
(12) "Boat Runs Over Snorkeler in Haulover Inlet," *Local 10.com,* (Oct. 17, 2014), accessed at: http://www.local10.com/news/boat-runs-over-snorkeler-in-haulover-inlet/29200526. Meera Somasundaram, "Water-skier Dies After He's Run Over On Delaware River," *Philly.com* (July 19, 1994), accessed at: http://articles.philly.com/1994-07-19/news/25844590_1_boating-accidents-propeller-fatalities. ("The victim's friend, Judith Hofer, 34, of Feltonville, accidentally ran over Garofalo with his 18-foot boat when she drove the boat around to pick him up from the water...")
(13) *Obsidian Finance Group, LLC. v. Cox,* 740 F.3d 1284, 9th Cir. (Ore), 2014; (blogger is a journalist when writing on matters of public concern). *Carlotti v. Petta,* ($12 million for defamatory posting about a physician) reported in *Claims Journal* (Dec. 19, 2011), accessed at: http://www.claimsjournal.com/news/west/2011/12/19/197169.htm. *Neumann v. Liles,* 261 Or. App. 567 (2014) (online review of wedding site was defamatory).
(14) *Obsidian Finance Group, LLC. v. Cox,* 740 F.3d 1284, 9th Cir. (Ore), 2014; (blogger is a journalist when writing on matters of public concern). A good discussion of the question of bloggers and journalists in the context of this decision is Robinson Meyer, "U.S. Court: Bloggers Are Journalists," *The Atlantic* (Jan. 21, 2014), accessed at: http://www.theatlantic.com/technology/archive/2014/01/us-court-bloggers-are-journalists/283225/.
(15) *Slater v. Blomfield,* case no. CIV-2013-404-005218, [2014] NZHC 2221 (2014).
(16) *Boston v. Athearn,* 764 S.E.2d 582 (Ga. App., 2014).
(17) *Sandberg v. JC Penney Co., Inc.,* 260 P.3d 495 (Or. App., 2011).
(18) *Ibid.* Claimant injured while claimant walking from her home to her garage to perform a work task. Some other cases on the point are: *Verizon Pennsylvania, Inc. v. W.C.A.B.,* 900 A.2d 40 (Penn. Comm. Ct, 2006) (claimant suffered a head and neck injury when she fell down steps inside her home after getting a glass of juice; these injuries were sustained within the course and scope of her employment). *Ae Clevite, Inc. v. Labor Commission,* 996 P.2d 1072 (Utah Ct. App. 2000) (worker "sustained a severe neck injury causing quadriplegia … while spreading salt on the driveway of his residence." The worker was employed by Ae Clevite, as a district sales manager. "Because Ae Clevite did not have an office in Salt Lake City, it authorized Mr. Tjas to use his personal residence in Salt Lake City as a base of operations for his work" and delivered packages to him there. Held, covered as workers' compensation). But in *Renner v. AT&T,* 93 A.3d 201 (N.J. Supreme Ct. 2014), the court held that a worker who sat too long at her desk at home and suffered a blood clot that killed her, was not covered by workers' compensation because she was not required to sit there so long and was free to get up as she might choose.
(19) *Cellular Accessories for Less, Inc. v. Trinitas LLC,* 2014 WL 4627090 (C.D. Cal., 2014).
(20) Pamela Ryckman, "Owners May Not Be Covered When Hackers Wipe Out Business Bank Account," *New York Times* (June 13, 2012), p. B11.