

# PROFESSIONAL SPORTS

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**LAW**

## The Role of the Insurance Broker During the Claims Process

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Many of you may have seen the recent 60 Minutes piece on Florida insurance carriers using altered hurricane damage reports to assess claims damage. The story was about a family who had significant damage from Hurricane Ian and contacted The Heritage Insurance Companies to begin the claims process.

As many insurance companies now do, Heritage sent a third-party licensed adjuster to their home to assess the damage. His evaluation of the damage was approximately \$232,000 vs the carrier's final claim check of \$15,470. Understandably, the homeowners were furious with the adjuster, not knowing the insurance carrier altered the adjuster's report to reflect the lesser amount ultimately paid out. There were multiple carriers using this method to greatly reduce the amount paid out to their homeowners clients affected by Hurricane Ian in Florida.

It was left to the homeowner to exhaustingly fight, to no avail, with the carrier for the appropriate amount of money to make their home whole again.

However, at no time in this piece was the homeowner's insurance broker mentioned or involved in the claims process during this story. The insurance broker's role is to provide their clients with carrier options and educate them not only on the coverages provided but to be their advocate to the carrier when there is a claim. Our role begins with guiding our clients through the



claims reporting process and ensuring the progression is expedited while addressing any challenges that may arise.

As the story noted, most people will not stand up and challenge the carriers due to their lack of resources or time. Florida's insurance market situation is well known. Several national carriers have exited Florida with smaller regional carriers stepping in. However, many of those carriers have financially collapsed and are unable to pay out on claims. This is not just a Florida issue but also becoming more prevalent in other states.

Navigating insurance claims can be a daunting process, especially when dealing with unexpected challenges and financial uncertainties. This is where an insurance broker steps in as a trusted ally, providing invaluable expertise and support.

Our industry often deserves our reputation when carriers do not provide the claims service expected of them in

return for providing an insurance policy to our clients.

As carriers continue to increase their usage of third-party adjusters and reduce staffs to handle more claims, my role as my clients' insurance broker during the claim process has significantly increased as my clients' advocate.

While most insurance brokers work with the same carriers, many simply hand off a claim to an adjuster and no longer remain in the process to ensure their clients are being taken care of by the carriers.

Our firm recently had a homeowner's claim for a client that resulted in an additional \$40,000 paid out simply because we worked on behalf of our client to ensure the appropriate amount was remunerated on the claim. Our clients' time is invaluable. Our position as their broker is to minimize their time dealing with what is already a cumbersome process and frustrating most of the time.

As in the 60 Minutes story, the broker has failed to serve as their client's advocate during this process.

While appreciating the annual homeowners and auto premium increases everyone is seeing, it is imperative to select an insurance broker who sees themselves as their clients' advocate not only when providing the appropriate coverages with financially strong carriers but, more importantly, as their advocate and consultant during the claims process.

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*customized personal insurance solutions for professional athletes, entertainers, Family Offices, directors, TV and movie producers, screen writers, ballclub owners, front office personnel, coaches, and ultra high net-worth individuals. He also provides his clients with unique insurance protection for their Foundations, NIL liability and property exposures for high school and college athletes, celebrity appearances, shell corporations, commercial endeavors, singing tours, television and*

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*Jim's approach identifies coverage gaps while managing personal and commercial risks to protect his clients' unique liability and property exposures.*

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