

PROFESSIONAL SPORTS

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LAW

Getting to Know McGowan PAE Professional Athletes & Entertainers Insurance Solutions

Editor's note: *With an eye on the industry, we recently noticed the growing presence Professional Athletes & Entertainers (PAE) Insurance Solutions, a division of McGowan Insurance and the myriad of solutions it provides to the industry. To that end, we sought out Jim Convertino, PAE's Director, and Jani Memorich, the division's Director of Commercial Division for an interview.*



Jim Convertino



Jani Memorich

Question: *Who exactly do you work with and represent in the industry?*

Answer: PAE works closely with sports agents, lawyers, financial advisors, accountants and business managers to ensure their clients have the proper insurance protection for their unique exposures due to their profiles and professions. We work primarily with professional athletes, entertainers, directors, TV and movie producers, spokesmodels, screen writers, franchise owners, front office personnel and coaches, which allows us to dedicate our time to their unique schedules and liability exposures.

Q: *What needs do you fill with these individuals?*

A: We work closely with the advisor and client to provide a complete

personal and commercial insurance review. We not only provide a simplified insurance program for each of our clients' homes, automobiles, jewelry, watercraft and umbrella coverages, we also cover their exposures outside of their personal insurance program. There are significant liability exposures for our clients' personal appearances, special events, birthday parties, commercial ventures, Foundations, Shell Corporations, LLCs, singing and promotional tours, television and movie productions, musical instruments, golf tournaments, life and disability coverage, basketball, baseball, hockey and football camps, websites and charity outings. Unfortunately, many professional athletes and entertainers, along with their advisors are unaware there are liability exposures

with each of these.

Our clients and their advisors are only calling one cell phone number with any questions or claims at any time, including evenings and weekends. They are not calling a service center or getting a voicemail hoping for a call back during the weekend or after business hours. Our unique service model is specifically designed to simplify our clients' entire insurance program with one insurance broker and provide them with one phone number to call for any insurance related reason.

Q: *How do you interact with their agent, lawyer and/or financial advisor?*

A: We work directly with our clients' sports agent, lawyer and/or advisor to educate them on our service model and how it is unique in the industry. We let them know immediately we understand we are representing them to their client. It's imperative to be an asset rather than simply an added service. The reality is if we do not deliver on our service, the advisor can lose that particular client and many more. Our service also distinguishes advisors from their competitors, ensures their clients

have the proper insurance program in place as part of their overall financial portfolio and saves them time in dealing with insurance issues. We understand and appreciate our relationships with our sports agents, lawyers and advisors.

If a client does not have the proper insurance coverage, they can lose a significant portion of their wealth unnecessarily in the event of a claim or lawsuit. They, unfairly or not, will blame their advisor. Our primary goal is to educate our clients on their exposures and simplify their entire personal and commercial insurance programs. We also provide coverage for their family members since they can pose a greater liability risk to the athlete or entertainer while also looking to minimize our clients' exposures. This eliminates any surprises in coverage issues during a claim and protects the advisor and client.

We always keep the advisor in the loop on everything. It is imperative they are not surprised if their client calls them with something that's happened to him or her, especially on a weekend or holiday.

Confidentiality is of the utmost importance, not only within PAE but with any of our relationships.

Our clients' information is not shared with anyone outside of our division.

Q: *What is best part about working with these individuals?*

A: Easily the best part of working with our clients and their advisors is educating them on the importance of their insurance programs as part of their overall financial portfolio. Unfortunately, we see many advisors who do not make an insurance review part of their clients' financial plan. Understandably, many tell us it's simply because they do not have the confidence in finding an insurance broker who understands the business of sports and entertainment and is willing to provide the type of service required to meet their clients' demands. They are often surprised at what we find when providing our review for their clients and the exposures they didn't realize existed.

Professional athletes and entertainers have greater liability exposures and rarely have the time to review their coverages. We become their specialized consultant on their personal and commercial insurance programs.

Q: *What trends are you seeing in this space?*

A: Insurance is seen more and more as a commodity. Ironically, the

higher profile the client, the more liability and property exposures we find when providing our review for the advisor and their client, especially when looking at their Foundations or charity events and personal appearances. Many of our clients were with the same carrier and coverages they had when they were much younger and had less exposure. Advisors often let us know they have been looking for someone like us and appreciate what we add to their business model.

Q: *What is the biggest misconception about the services you provide?*

A: Many advisors think we charge a fee, see all insurance coverage and carriers as the same and do not critically look at their clients' insurance coverages until there is a lawsuit or claim denial. They mistakenly do not see the added value in having their clients' insurance reviewed before there is a significant loss of personal wealth that could've been covered with the right insurance coverage. We have a dedicated division specifically geared toward their clients and offer a significant benefit to their business and their clients. ●