

SPORTS LITIGATION ALERT

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Convertino Discusses Insurance Trends in The Sports Industry and What The Future Holds



Jim Convertino

Jim Convertino, the PAE Practice's Director, has observed dramatic changes in the insurance industry as it relates to high-net worth individuals, such as professional athletes and executives in the sports industry.

Specifically, their exposures to liability have grown exponentially, one of several things Convertino elaborated on in an exclusive interview below.

Question: Tell us about your practice and your team?

Answer: As the Director of the Professional Athletes & Entertainers Practice at McGowan PAE, our team and I work closely with sports agents, lawyers, business managers, accountants, and financial advisors to ensure their clients have the proper insurance protection for their unique exposures. We provide complete personal and commercial insurance coverage reviews and simplify our clients' insurance programs for them while becoming an asset for the agent or advisor as an

additional service they can provide to their clients. We emphasize a sense of urgency for all of our clients and partners as part of our unique service model.

Q: How has your practice changed over the years?

A: As our clients continue to focus more than ever on their image branding and commercial endeavors, we have increased our commercial division presence under our Director of Commercial Division, Jani Memorich, and our Senior Client Consultant, Cat Buchanan. We not only provide a simplified insurance program for each of our clients' homes, automobiles, jewelry, watercraft and umbrella coverages, we also protect their exposures outside of their personal insurance program. There are increasing liability exposures for our clients' Foundations, personal appearances, special events, commercial ventures, Shell Corporations, LLCs, tele-vision and movie productions, camps, websites and charity outings. Unfortunately, many professional athletes are unaware of the liability exposures with each of these. We also provide coverage for many of our clients' family members and create liability firewalls to minimize our clients' liability.

Q: What is the best part about working in the sports industry?

A: Changing the perception of what insurance is and providing a unique service for our sports advisor partners and clients. We love being available for our clients and earning their trust. Integrity is so important in this business. Many of our clients had never had an insurance consultant advise them about the risks and exposures they face with their unique lifestyle. I am especially proud of our service team who are uniquely qualified and dedicated to our service model. We have received tremendous positive feedback when we discuss our unique service model with agents and advisors,

and they appreciate we understand we are representing them to their clients. Our service model also provides our advisor partners with a competitive edge when recruiting prospects and having us as part of their wealth management team for their existing clients.

Q: How has the environment made it more difficult for high-earners and high-net worth individuals to get competent counsel?

A: There are so many more exposures, both personally and commercially, for professional athletes today than even a few years ago. Social media has exploded, and professional athletes are targets. It is imperative for these high-profile players and their advisors to team up with insurance brokers who specialize in addressing and identifying their unique exposures. Most professional athletes are with the same insurance companies they had when they were in high school. Many insurance brokers do not have the knowledge or resources to address these rapidly changing risks for these players.

Q: Why have you and your team been able to compete in the industry, while others have moved on?

A: It's imperative to see these professional athletes and entertainers as clients and not celebrities. In order to provide a service for them, you must know everything about them. Knowledge is truly power when providing a service for any professional athlete. Our team and I are constantly staying on top of our clients' contracts and endorsements so we can assess their exposures and proactively advise their advisors and them to ensure we are updating their coverages and offering additional solutions.

Many of our competitors have left this segment of business due to the increasing difficulty of providing insurance coverages for professional athletes. Our clients' focus on increasing their brand recognition has exponentially increased their liability exposures. Finding appropriate property coverage in states like California, Texas and Florida will continue to become more difficult and require much more time and resources. Our service team is set up to explore all possible options and presenting our recommended coverages to our clients.

Q: What trends do you expect to see in the future?

A: We have already added college players as clients under their Name, Image and Likeness (NIL) exposures and see this as an increasing segment of players who need expert insurance advice and counsel. Premiums will also continue to increase, and insurance markets will provide fewer options for this client segment. I fully expect even more insurance brokers to vacate this area as the difficulty in securing coverage options will continue to increase.

It's imperative all advisors select an insurance expert in this area and see us as an integral part of their wealth management portfolio. It should be offered as part of a comprehensive financial plan to protect these unique clients and their significant exposures.