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2020 PI EQUIPMENT GUIDE

**The Lack of
Licensing for
Private
Investigators
in Mississippi**

**Private
Investigator
Podcasts**

**Femme Fatale:
The Case of Louise
Pete Part II**

Insurance for Investigators:

The Basics of Getting Protected

BY **GEORGIANA EISENHARDT**



You have an appointment to discuss a new case, something pretty typical: a woman wants to find out if her husband is cheating on her. She offers repeated assurances that she has collected plenty of “evidence” of her own — phone records, receipts — but she just needs to catch him with his mistress to know.

You know these cases can be a bit messy, but all’s fair in love and war, right? For a jilted spouse, she seems calm. You don’t have a reason to suspect her intentions. You agree to provide her with surveillance services and the two of you sign a contract.

Fast forward six months. The husband serves you with a lawsuit for invasion of privacy. It turns out that she has long suspected him of cheating — an accusation for which you found no evidence — you are the latest in a string of PIs she has hired to surveil him. Fed up, he has filed for divorce and would like to hold someone responsible for the mess: you.

WHAT INSURANCE DOES FOR PIS

This is a worst-case scenario that every investigator must consider at some point. Most people do not like being investigated, and the work carries with it real risks. Any mistake an investigator makes can turn into a legal and financial liability.

That is where insurance comes in. It helps to cover the costs of de-

fending yourself against claims that you have in some way caused someone harm in the course of your work. In the scenario above, your professional liability coverage would help cover your potential legal fees and settlement costs related to the husband claiming your investigations have caused him harm or financial loss.

For private investigators, insurance is more than a necessary evil. In fact, understanding the “why” behind your insurance policy can provide good information about services you want to offer. For example, we underwriters tend to think of risks as “high profile” or “low profile.” Anything hands-on or involving firearms tends to be high profile, as claims related to injury are expensive to settle. Consulting on security can usually be seen as low risk, because there is little risk of invasion of privacy claims or causing injury.

WHAT TO LOOK FOR IN COVERAGE

Many states require some form of insurance coverage as part of private investigator licensing, so you know that you need it. But, above the bare minimum, what coverage do you need? These general liability coverages protect your work as a professional, licensed investigator:

Professional Liability (Errors & Omissions) protects against claims of inadequate, inaccurate, or harmful work, as well as neglect in the course of your duties.

Care, Custody & Control provides explicit coverage for another person’s property in your care; this coverage is often specifically excluded from general liability policies.

Assault & Battery can cover threats or injuries resulting from altercations that occur in connection with a PI’s work.

Electronic Data Liability covers claims related to lost, damaged, or inaccessible digital data.

In addition, investigators should seek malicious prosecution, libel & slander, personal injury, contracts, and incidental medical malpractice coverage. Together, these provide necessary protection for risks investigators may face in the daily line of duty.

If you have a physical location, this can also benefit from the protection of commercial property coverage, including business income coverage. Though it sounds like insurance for freshwater boats, inland marine insurance coverage actually refers to coverage for property that is moveable, such as mobile equipment used in surveillance. Other coverages, such as commercial excess, are available to private investigators from reputable insurers.

In addition to coverages, another factor to consider in an insurance policy is the limit. This refers to the upper dollar limit on a policy for covered losses. Securing a \$1 million limit is considered minimum best practice for investigators, but policies with lower limits are available and certain clients may require additional limits which would require Excess or Umbrella Liability insurance.

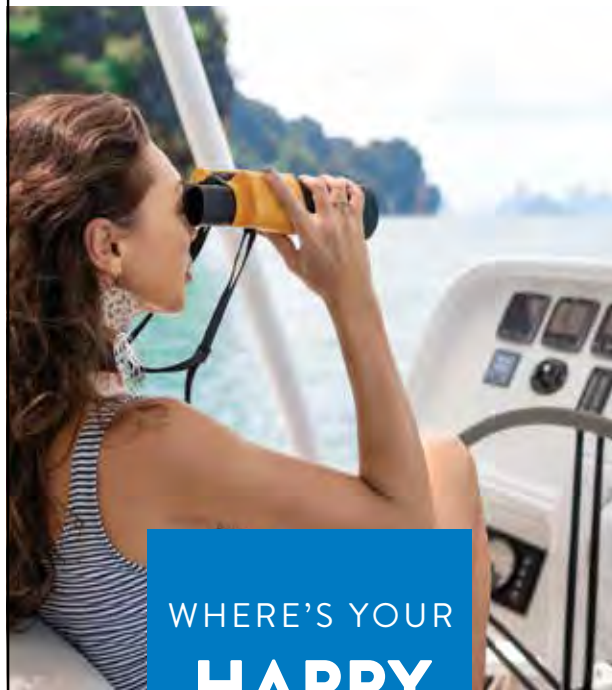
If you work closely with an insurance agent or broker, remember to talk to them once a year about your insurance needs. Changes in the business can warrant new coverages. If you don’t work closely with an agent or broker, consider this your call to action to find one to serve as a trusted partner. Insurance professionals can provide a valuable perspective on the sometimes tricky — and risky — business of investigation. **PI**



Georgiana Eisenhardt is program manager for PI Protect from the Brownyard Group, where she works closely with private investigators, security consultants and professionals in related fields. PI Protect is a leading provider of specialized insurance coverage for investigators. Learn more at www.brownyard.com.

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