

A man with a beard and bald head, wearing a dark suit, white shirt, and red patterned tie, stands in a library. He is leaning against a wooden bookshelf filled with books. The background is filled with rows of books on shelves.

PI
magazine
.com

professional investigator magazine

\$8.95

November/December 2021

**INVESTIGATOR OF
THE YEAR 2021:
MATTHEW
SPAIER**

**CRIMINALISTICS:
The New Frontier
for Private
Investigators**

**CRIMINAL
DEFENSE
INVESTIGATIONS**

PI MAGAZINE'S TOP PIS OF 2022

A close-up photograph of a hand holding a bright red umbrella over a golden chess king piece on a black and white checkered chessboard. The background is blurred, showing a person in a white shirt. The umbrella is open and positioned over the chess piece, symbolizing protection and strategic decision-making.

9 Insurance Questions PI's Want Answered

BY **GEORGIANA EISENHARDT**

About one-third of U.S. workers under age 40 have thought about changing careers since the COVID-19 pandemic began, according to a *Washington Post* survey¹. The protective service job market was already hot pre-pandemic, with the U.S. Bureau of Labor Statistics² predicting 13 percent job growth from 2020-30, well above the national average for all occupations.

Assuming this trend continues or even grows, a new group of PI's will face multiple business questions as they branch out on their own. One of the most important: What kind of insurance coverage do I need? Let's answer nine of the top questions PI's typically ask about insurance coverage:

1. WHAT TYPE OF COVERAGE WILL I NEED AT A MINIMUM?

At the very least, all PI's should maintain general liability (GL) coverage. GL policies protect you against personal injury or property damage that occurs while performing work duties. Some GL policies will also include professional liability coverage, otherwise known as errors and omissions (E&O). This type of coverage protects you against things you, your staff or a subcontractor may do wrong in the scope of an investigation that causes harm to clients.

2. HOW MUCH DOES GL COVERAGE COST?

Insurance costs will vary based on your location, the size of your business, your receipts, your expertise, the types of services you provide, the clients you service and your loss experience. Premiums start at \$1,500 for your one- or two-person operation and go up from there. But all GL coverage isn't alike; ask an insurer what's covered—and what isn't—as part of their GL policy.

3. WHAT OTHER TYPES OF COVERAGE MAY BENEFIT ME?

Commercial excess liability policies provide additional limits of coverage. It's a wise investment for PI's whose work exposes them to situations that may bring insurance claims with high potential judgments. Most insurers offer commercial excess liability coverage with limits up to \$5 million to protect against a once-in-a-lifetime judgment.

For PI's with a brick-and-mortar office, commercial property coverage offers protections against claims involving your building and business. In addition, an inland marine policy provides coverage for any property that is movable, including surveillance equipment used during investigations. Workers' compensation, auto, EPL, cyber liability and fidelity are also types of coverage you should discuss with your broker.

4. WILL INSURANCE COVER ALL INVESTIGATIVE LITIGATION?

This depends on the type of work a private investigator does and how much business they handle in certain high-risk categories. For example, a PI firm with a heavy reliance on domestic situations (marital and infidelity), lie detection, process serving or repossession work may have coverage that's narrower or more expensive than other firms that minimize these types of work.

5. WHAT WILL MAKE MY PI FIRM MORE ATTRACTIVE TO AN INSURER?

Insurers will be more likely to write new business for PI's with extensive experience. That doesn't mean you need 10 years of PI expertise. However, it does help if you're entering PI work from a related field—police, military, security, etc. States that require PI's carry GL insurance will ask for proof of insurance or proof that you're insurable (licensed to do business in that state) when applicable. The screening, training and supervision of your employees also makes an impact on an insurance company, as do the types of operations you provide.

6. CAN I GET COVERAGE FOR FIREARMS OR DRONES?

Insurers understand that most PIs are licensed to carry firearms. Most insurers will provide insurance coverage for firearms – assuming firearms are properly registered. However, you should review this carefully with your broker as some insurers will exclude the use of firearms.

Drones are a newer item that insurers may cover. Before they do, insurers will want to be sure a PI's drones follow federal and state compliance standards. We'll ask if you've licensed your drones with the Federal Aviation Administration, how well you maintain your drones and what capabilities your drones bring to the work you do each day.

7. ARE INVASION OF PRIVACY CLAIMS COVERED UNDER GL POLICIES?

Invasion of privacy claims are the most common we receive and process at the Brownyard Group. Coverage for these claims varies based on the nature and type of claim received.

8. WHAT IS A CARRIER RATING, AND WHAT RATING SHOULD I LOOK FOR?

Companies such as AM Best3 provide financial strength ratings, also known as carrier ratings, that assess an insurer's financial strength and its ability to meet its ongoing insurance policy and contract obligations. Ratings are based on letter grade, from A+ (superior) to D (poor), similar to a high school report card. A+ and A-rated companies, in AM Best's opinion, offer a superior or excellent ability to meet their obligations.

9. WHO SHOULD I TALK WITH TO LEARN MORE ABOUT MY INSURANCE OPTIONS?

Finding the right insurance coverage can be overwhelming for many PIs. To clear the uncertainty and get specific insurance information tailored to your needs, we recommend talking with an experienced insurance broker. The right broker will help you understand what you need and how much coverage you should have based on a number of factors, including the type of work you perform and the regulatory guidelines in your state.

Brokers can also educate you about appropriate coverage limits and help you learn what's covered and not covered (for example, legal defense costs often fall outside policy limits). Look for brokers experienced in the PI field, so you know you're getting advice from someone who knows the industry and understands your needs.

A career in PI work can be extremely rewarding. Making sure you're covered gives you the confidence to focus on your PI work and grow your business. **PI**

References:

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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 <https://brownyard.com/>.

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