

Professional Sports Insurance

Frequently Asked Questions Answered by Christian Hanson

As a former professional hockey player, I've had many conversations over the years with teammates about what the future may hold. The conversations always included some variation of the following bottom line, "What am I going to do when I am done playing? I'll figure it out when the time comes."

Unfortunately, for many athletes that time can come when they least expect it.

Being a professional athlete doesn't make someone superhuman. Athletes are not immune to illness because they are in excellent shape. They are just as susceptible to a chronic health condition, such as cancer or diabetes, or mental illness, as they are to a physical injury suffered while playing.

This is why professional athletes need disability insurance.



**An injury or illness can knock an athlete down.
Disability insurance helps them get back up.**

What is professional sports disability insurance?

Professional athletes, college players and juniors with highly ranked 'up and coming' status need to protect themselves from the dramatic financial impact of a temporary or potential career-ending disability.

With disability insurance in place, a professional athlete can protect themselves against current and future lost earnings. It can provide the financial stability to allow an athlete to concentrate on getting back on their feet (sometimes literally) and, if they are unable to return to their sport, it affords them the time they will need to determine what they are going to do next.

What types of professional sports disability insurance are there?

There are two types of professional sports disability insurance: temporary total disability and permanent total (career-ending) disability. They can be purchased individually or together as part of a comprehensive plan.

Temporary total disability insurance can protect an athlete, whose earnings are not guaranteed, in the event that they are temporarily unable to play their sport. For example, if a tennis player who just saw her earnings double after her first tournament win breaks her hip in a car accident and is unable to play for six months, she has no way to earn a living during recovery. By having a temporary disability insurance policy in place she would receive her potential lost earnings while she rehabilitates and trains to get back on the court.

Permanent total disability insurance, also known as career-ending disability insurance, provides 24-hour coverage, or can be limited to only when a player is not working. It is protection that pays a tax-free lump sum amount if the insured athlete is unable to participate in their sport ever again as a result of injury or sickness.

How much coverage and what type of disability insurance does an athlete need?

When deciding how much disability insurance coverage to purchase, it is important to consider not only what an athlete is earning right now, but what they might earn in the future. Regardless of a player's age or career status, Sutton has a policy to fit their needs.

A few examples of coverage:

A \$150,000 24-hour policy for the 18 year old junior player to help cover the cost of college.*

A 24-hour policy for the 25 year old in the last year of his contract, whether he's due to earn \$1,000,000 or over \$25,000,000 on his next contract.**

A \$25,000,000 off-ice policy taken out to reflect the after-tax value of a 28 year old's new long-term deal.***

* Our 24-hour policies cover all on/off ice activities.

** Coverage is available in any amount financially justified.

*** Our off-ice policies protect the player from injuries that occur away from any team related activities.

Why is professional sports disability insurance so important?

Unlike someone with an office job, athletes depend on their physical condition to perform the duties of their sport. The effects of cancer, heart disease or a torn muscle can be devastating for an athlete because they may not be able to return to work. Most athletes have trained their whole lives and don't have a backup plan, so when an accident or sickness happens and they can no longer play their sport, they struggle with what to do next. With Sutton's comprehensive protection, an athlete can feel protected 24/7, knowing that life after sports is waiting.

For more information, please contact Christian Hanson:

chanson@suttonspecialrisk.com

412.995.0042