

# Bruce Gendelman explains the risk of underinsurance in liability cases for Prominent Families

PALM BEACH, FLORIDA, UNITED STATES, October 23, 2018 /EINPresswire.com/ -- Covering responsibility for injury, death, or damages to another individual or their property, anyone who owns a home, drives a vehicle, operates a business, or engages in any number of personal or professional pursuits faces potential liability exposure.

If an individual is proved liable for an accident, the consequences can be devastating financially unless they are adequately protected. Furthermore, according to [Bruce Gendelman](#) Company CEO Joseph Gendelman,, wealthy individuals often face a disproportionate amount of exposure as they typically own multiple homes, automobiles, investment properties, and other valuable assets. Wealth management professionals are getting better at protecting against such liability exposure, says Gendelman, yet statistics show that many high-net-worth individuals still carry low liability coverage in their personal insurance.



The CEO of the Bruce Gendelman Insurance Services, he suggests that erroneous beliefs and misconceptions are often held which lead to such high-net-worth individuals carrying lower limits. This, Gendelman says, coupled with widespread confusion surrounding how the legal system works—and clients using mass-market insurers without access to higher policy limits offered by specialty insurers—leaves them at massive risk of underinsurance in liability cases.

"Understanding the legal system is vital," reveals the insurance services company chairman, pointing toward the realities of the situation. Uniquely for a high net worth insurance broker our firm employs two full time attorneys and has on retainer a Harvard Law School graduate national insurance coverage expert. Joseph Gendelman explains "after all what we advise on and provide are contracts, which are drafted by insurance company lawyers. There are differences in every form. Clients generally do not have the expertise to analyze the proper coverage, that is where we provide exceptional value added."

In terms of liability cases, one major myth surrounds how much information a plaintiff's attorney is allowed to find out about a defendant's net worth, according to Gendelman. "Many people wrongly believe that financial records cannot be subpoenaed," he says, "in an effort to discover if an individual is worth pursuing."

Unfortunately, however, this is not typically the case. "In most states, attorneys can absolutely ascertain the limits of an individual's liability policy and through discovery determine the value of relevant assets," he adds.

Despite this, most liability cases never make it to trial and are instead settled through negotiation. "Only around two percent of cases go to trial, so while attorneys often report that having high policy limits can make a defendant a more attractive target in a liability case, this isn't strictly true," says Gendelman.

Because negotiated settlements made outside of a court trial ( and in theory the same thing should hold true at trial - but juries are very unpredictable do to their own experience and bias) are determined by the value of damages incurred by a plaintiff, and not by a defendant's insurance, the limits of an individual's liability policy are often of little consequence in this sense. "As such, all high-net-worth individuals should select coverage limits based on the protection needed, and not out of fear of becoming a target," Gendelman reveals.

What's more, he says, any high-net-worth individual should maintain higher policy limits for two additional reasons. "In the case of excess liability policies, attorneys' fees may not be subject to policy limits, removing the risk of incurring legal costs beyond what a lesser policy might cover," the expert explains.

"Secondly," Gendelman adds, wrapping up, "such policies also offer the lowest ratio of premium to maximum claim payout in personal lines insurance, making them a relative asset protection bargain for high-net-worth individuals."

To learn more about Bruce Gendelman Insurance Services and the benefits of excess liability insurance policies, please call Joseph Gendelman 800-845-4145 ext 13.

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