

# Insurance for when the unimaginable becomes real

Balance for Cyclists offers unique coverage to protect against the worst accidents

by Dan D'Ambrosio

**J**ay Paul grew up in the insurance business. He began his career in an agency his grandfather founded, and he has spent 25 years in the industry. That's a lot of time spent thinking about tragedy, and Paul has seen his share, even among his friends.

"I've been cycling most of my life," Paul said in a recent interview. "I'm also a skier, rock climber, and outdoor enthusiast. I've had friends in all of those activities injure themselves."

Paul, 53, says he's "been around the block" when it comes to dealing with injuries, and the ones who have injured themselves the worst are cyclists. He's had three friends paralyzed, friends killed, and others suffer traumatic brain injuries.

"I've seen the devastation financially and emotionally that these accidents cause individuals and families," Paul

said. "There's nothing I can do from an emotional standpoint other than hug them and tell them I love them."

One of those friends is Rosemary Rawlins, whose husband Hugh was hit by a car traveling around 50 MPH in 2002 on his way home from an afternoon ride. Rawlins has published a memoir called *Learning by Accident*, available on Amazon.com, recounting the story of her husband's recovery from the traumatic brain injury he received that day.

"The last thing I needed to be worrying about was money, but money fears kept me up many nights," Rawlins wrote in an article about her experience. "How could we afford the maximum amount of rehabilitation when the insurance company limited the number of visits per year? How would I continue to pay the mortgage? How would we support our kids? How could

I work when Hugh needed me to care for him at home? The list of questions went on and on."

Paul was determined to answer those questions. They were the motivation behind the November 2012 launch of Balance for Cyclists, a unique insurance coverage that provides up to a \$250,000 benefit in lump sum payments of \$50,000 increments for cyclists who suffer accidents causing severe traumatic brain injury, death, or paralysis.

"Nothing like this has ever been done before for any activity," Paul said. "It's the first product ever to insure against traumatic brain injury. There have been insurance policies with coma benefits but not traumatic brain injury (TBI)."

Paul's Balance for Cyclists was not an easy sell to insurance underwriters. Last July, *National Underwriter Life & Health Magazine* gave Paul the 2013

Industry Elite Award for marketing innovation for his new offering, the best new product or service introduced in 2012.

“With millions of middle-aged adults continuing to participate in potentially devastating ‘gravity sports,’ Jay came up with the first-ever insurance coverage to provide benefits for severe traumatic brain injury,” the magazine reported. “After drawing up preliminary concepts for the product and formalizing a seemingly obvious pitch, Jay went on to shop around Balance for Cyclists. Even though the product is within the low-risk/high-severity parameters many carriers crave, there were no takers. Zurich American Insurance Company finally came on board. Now the product has been approved in 39 states, and Jay hopes to expand and cover other sports such as horseback riding and skiers.”

Since then, Paul has added another state for a total of 40. He says he is “in the hundreds” in terms of the number of people covered by the policy. Paul calls Rosemary Rawlins his “keenest advocate.”

“Most people think that if they’re hurt in a cycling accident their major medical insurance will take care of it, and they are right, it does — to a point,” Rawlins wrote. “What I learned from experience is that there are deductibles and limits to insurance, and in the case of TBI or paralysis, there is usually a loss of an income (or two) while medical expenses pile up.”

That’s where Balance for Cyclists picks up the slack, wrote Rawlins, who unfortunately did not have the benefit of the program when her husband was hit.

“Funds paid out by Balance can be used toward anything: to pay the mortgage, repair the car, or pay for added therapy or rehab,” Rawlins wrote. “Keeping the lights on and food in the fridge become major accomplishments after a major life setback. I would not be exaggerating to say that these funds could help families avoid severe financial distress or even bankruptcy.”

She certainly could have used an ex-

tra \$250,000 to deal with the tragedy of her husband’s accident, Rawlins wrote.

“I am certain that if I had had an additional \$250,000 in cash that first year, I would have been concentrating only on my husband and family and less on my checkbook balance,” she said.

Paul understands very well that people don’t want to think about insuring against catastrophe.

“I don’t like being the grim reaper of death,” he said.

Yet, as if he needed reminding, on December 28, a friend of his named Scott Scudamore died 10 minutes after being disconnected from a ventilator following a devastating accident suffered in September 2013 while downhill on his bike at Bryce Resort in Basye, Virginia.

On a website created in his memory, Jason Ashmore wrote that Scott “Scud” Scudamore was a “legend in the world of mountain biking, XTERRA racing, skiing, and all things active.” Ashmore said Scudamore and his wife Margaret traveled the world in search of “new trails to ride, new friends to meet, and old friends to see again.”

“Cycling is a great sport,” Paul said. “The chance of having one of these serious accidents is not very likely. It probably won’t happen to you, but it will happen to somebody you know. Unfortunately, the odds are there. Insurers look at the numbers, and they tend to hold up.”

Paul has had people tell him that if they are injured as badly as Scudamore was, they want somebody to pull the plug. They asked if he could offer insurance for other injuries.

“People don’t want to believe it will happen to them,” Paul said. “They want coverage if they break a wrist, separate a shoulder, or bust a chin and end up in the ER. We wanted to offer a product for anybody who participates in the outdoor life.”

Paul explained that this type of coverage is known in the industry as “first dollar” coverage, and in February he was on track to offer such coverage by March. He also planned to add travel

insurance that would cover any cost associated with a trip.

Paul, for example, is planning to ride the Courage Classic in Colorado. It costs \$400 to enter the fundraising ride. His flight is another \$400. He put down a commitment on a condo at Copper Creek that cost him \$1,000. If he breaks a leg training the week before he’s set to leave, all of that money is refunded to him through the insurance policy. Paul is using the insurance giant Allianz for this coverage, which he said brings an added benefit for cyclists traveling internationally because of Allianz’s global reach.

“Let’s say you take your bike to Vietnam for a tour, and when you get over there, you get deathly ill,” Paul said. “This policy helps pay for costs associated with medical treatment and helps pay to get you back into the country. Allianz has hundreds of people on staff who speak foreign languages. You don’t have to try to negotiate dealing with the hospital. They’ll handle negotiations for getting proper treatment and for getting you back home.”

Rosemary Rawlins wrote that her husband recovered well from his accident and that, after attending rehabilitation for a year, he “fought hard to come back to us.” Hugh Rawlins works full-time today, Rosemary wrote, and “surfs and cycles while I do a lot of deep breathing and praying for his safety.”

“And I have taken out a Balance for Cyclists policy for him,” she wrote.

That closes the circle for Paul, who was motivated less by profit than by compassion when he left a lucrative career in the insurance business to start Balance for Cyclists.

“I’m doing this because it’s part of my life, and my brethren are getting injured,” Paul said. “We’re keen on bicycling advocacy and giving back to the bicycling community. I can’t emphasize that enough.” 🇺🇸

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