

A Brutal Business

The NFL season kicked off this past weekend and the bodies were flying. Rich Salgado of Coastal Advisors talks about how he insures them against injury.

By Lou Dubois | @lou_dubois | Sep 13, 2010



Associated Press

Stewart Bradley of the Philadelphia Eagles (far left) left Sunday's game with a concussion.

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Courtesy company

Rich Salgado's Coastal Advisors provides disability insurance to more than 300 pro athletes.

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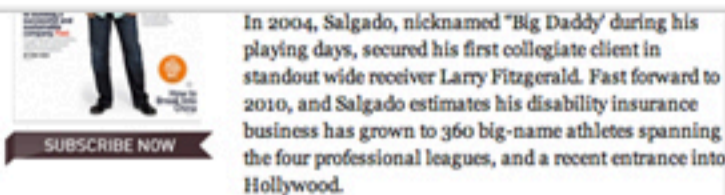
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When Rich Salgado sees a player stumbling around the field punch-drunk like Philadelphia Eagles linebacker Stewart Bradley was yesterday ([watch the video here](#)), he understands as well as anyone that concussions can linger and spell the end to a player's season, if not his career.

It's because of scenes like this that Salgado started Coastal Advisors, a disability insurance company that works mainly with professional athletes. As the former offensive lineman at the University of Maryland puts it, "In a game like football, you can be on top of the world one day, but one hit or injury can drop you back to having nothing the next."

In the NFL's opening weekend alone, Bradley, his teammate Kevin Kolb, quarterbacks Matt Moore and Matthew Stafford, Giants tight end Kevin Boss and Carolina wide receiver Charly Martin all suffered concussions. It's too early to say how serious and lingering any of the injuries may be to their careers, but they drive home Salgado's point.

Athletes are increasingly getting the message that, while they may feel invincible, they are mortals. And accepting that reality has pushed many of them to take out special insurance policies guarding against a pre-mature end to their careers.



In 2004, Salgado, nicknamed "Big Daddy" during his playing days, secured his first collegiate client in standout wide receiver Larry Fitzgerald. Fast forward to 2010, and Salgado estimates his disability insurance business has grown to 360 big-name athletes spanning the four professional leagues, and a recent entrance into Hollywood.

From his New York City-based offices (which he rarely works from, traveling almost 200 days each year), Salgado recently took a moment to speak with Inc.com about Coastal Advisor's entry into this niche market and why his business is booming.

First things first, where did the nickname "Big Daddy" come from?

When I arrived at Maryland to play football, I was about 6'4" and 260 pounds, and there was a guy on our team named Ben Jefferson who was about 6'9", 355 pounds. The first time I saw him, I said, "Damn, Big Daddy!" He corrected me and said, "No, everyone calls me Big Ben. So you know what, you're going to be Big Daddy now."

You've grown Coastal Advisors into quite an enterprise. What makes you so unique in this market?

When I started out about 15 years ago, I knew that I had the marketplace there with all of the players and people I knew in football. But I didn't have what I wanted to do with it. And then I got into the insurance business, which is all about protecting others. It's definitely a niche market, but when I started landing some really big clients, the business really just fell into place. I always used to talk about disability and life insurance to all of the athletes I'd meet, because in a game like football, you can be on top of the world one day, but one hit or injury can drop you back to having nothing the next. And then once I got into it pretty heavy, it's all about relationships. I always say that my skin is in the game, because I know what it's like to go through training camp and to grow up wanting to be a football player. So that helps me understand these guys.

What are you offering that the individual pro teams and even some of your competitors are not?

Being on a professional team is no different than working for a large company. You're only given so much insurance coverage and it's a term policy. What I am offering is a policy that each individual player can own. All of our policies are Triple-A rated and underwritten by Lloyds of London, so they're the best of the best. If a player is a free agent and they decide to move from the Giants to the Saints, they own the insurance and it moves with them.

Three years ago, I started having severe headaches and I went to the hospital to get it checked out. It turns out I had a brain aneurysm, and a week later I'm getting angioplasty surgery. I spent six days in the hospital, and thankfully I was okay. That just proved to me that anything really could happen to anyone, and the scar I have across my head works as a good selling point when I talk to the players.

You landed some huge collegiate clients back in 2004-05 in Larry Fitzgerald and Reggie Bush. How does it necessarily work with college athletes, and the policies they take out?

A majority of the guys I usually start working with before their senior year in college. A lot of the top players will take out disability insurance policies protecting them in case they get injured during the season. Regarding the way those policies are structured, there is actually a fund that the NCAA has to cover some of that. Sometimes we'll get players whose parents pay for the policy, and other times you structure a loan to pay it back once the player signs their professional contract.

You work as an independent entity, apart from the league, agents and financial advisors. How do you work in tandem with them, without being seen as an adversary?

The league can't endorse me for liability reasons, but there is a respect there because without sounding cocky, everybody knows who I am. I know players, I know general managers, and I know owners all over the league. There are plenty of agents who really get it well, and understand that what I'm offering is complementary as a service to what they provide. The guys who try to do everything themselves and act as control-freaks for their clients, without necessarily looking out for their guys, are the ones that just don't understand it. They understand contracts, and that's something you'll never see me doing.

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But I understand insurance, or protecting your investments. My favorite thing to tell them is that I make pizza, and you make doughnuts. I don't want to go into your kitchen, and I don't want to catch you flipping any pizzas. Stick to what you're good at. The financial advisors, or the money guys, are my biggest challenge. For some reason, they want all of the money their guys are spending to flow through them, and a player taking out a policy with me cuts them out. But again, what I tell the advisors and the players is that I'm providing a product with protection and a guarantee, regardless of what happens.

So players can take out a policy to protect themselves against injury. What about the teams that are paying them millions of dollars? How can they protect their investments?

Many teams do take out insurance policies these days, particularly for their top picks. It works no differently, to be honest. And it happens a lot when a team re-signs a guy to a long-term big deal. It's investment protection for both sides, no matter what happens. If a player gets hurt, the team can sometimes recoup a signing bonus or similar financials.

How many players actually take out these policies, and how often do you see them paid out?

I'd say in the NFL alone, which is where the majority of my business still is, about 30 to 35 percent of the league has these policies. But that number has gone up significantly in the last few years (*Salgado alone has insured 25 first-round NFL draft picks in the past five years*). When everything went down with Sean Taylor a few years back, I spent a few days with Jeremy Shockey immediately after, because he wanted to make sure everything in his life was in order, just in case something were ever to happen. (Taylor was shot and killed by intruders at his home in 2007.)

The policy that was paid out that sticks out in my mind was with one of my hockey guys, Bryan Berard. Bryan was playing for the Toronto Maple Leafs, and I'll remember this day forever. It was March 11, 2000, and Bryan took a stick to the right eye. The doctors didn't think he'd ever be able to see again, let alone play hockey. He got a \$6.5 million settlement, but gave a majority of it back because he wanted to play again. And he did.

You work with some big name players, coaches and owners. You travel around the country to different events and to meet with all of them. What have you learned through working with all of these people?

You know, I've made some amazing relationships through this business. Since I'm wearing a Super Bowl ring right now, I'd say my closest friend and biggest reference here is Michael Strahan. But I'm close with a lot of executives as well, from Thomas Dimitroff with the Atlanta Falcons, to Stephen and Jerry Jones in Dallas, and probably the closest of all, Kevin Abrams with the New York Giants. But even when I was just getting started, I lived with Neil O'Donnell in college and then for three years when he played for the Pittsburgh Steelers. The people I met when he was with Pittsburgh are all over the place now, and perhaps more than any other business, this is about who you know and where you've been. I don't really bug the guys I work with for business advice, trying to keep those relationships cordial, because I believe if they know who I am and what I do, that's good enough.

What business lessons have you learned through the years and what might you do differently?

I don't know if it's an advantage or a disadvantage, but I travel a lot and I had a really hard time initially learning how to delegate work when my business started growing. I'd be up in the office until 11 or 12 at night, every night, and then on a plane the next morning. Now, I have a great staff of about 15 people here in the office who understand the business really well, which allows me to travel, be the face of the company and have the meetings we need to have.

As far as offering up advice to others, I always tell people that while I'm one of the big players in this industry, don't use me as an example. This business model was built for me since I was just a little kid, it just happened to be insurance. I grew up around football, I know this game as well as anyone, and I just want to help guys protect themselves.

Where are the growth opportunities for Coastal Advisors?

When the NHL lockout happened a few years back, because the players were around the world playing in different leagues, my business basically quadrupled. Guys saw and understood the need to insure their bodies in case something were to happen. I don't want to project anything about what is going to happen in the next few years, particularly regarding the potential NBA and NFL lockouts next year, but I can tell you that I want Coastal Advisors to be the official insurer of all four leagues and for all of Hollywood. Is that cocky and arrogant? Sure, but if you don't reach for the top, you're selling yourself short. I'm just going to be out there, keeping a clean image and letting people know why I'm there and what we do. I'm as important to an athlete as the agent and the financial guy, and the smart guys get that.

