

Three Important Reasons Why Attorneys Should Conduct Asset Searches

1. To Avoid a Malpractice Action

Not a big surprise, but 80% of those who order asset searches are attorneys. Especially those attorneys that practice primarily in the personal injury, collections, divorce or probate areas. It is essential to the attorney to satisfy their “due diligence” on behalf of their client by conducting an asset search on the tortfeasor; a debtor; a spouse in a divorce or on their company; or on a decedent in a probate action. If the attorney fails to conduct an asset search, or at least see if the client is willing to pay for an asset search, then the attorney runs the risk that their client may sue them for failing to do so before settling for the insurance policy limits in a personal injury case; or before throwing good money after bad on a collection’s matter; or during discovery in a divorce action before the case settles or goes to trial; or before the final accounting is filed in a probate action.

Therefore, in order to protect themselves from an angry client or potential malpractice claim, the attorney should always suggest to their client that an asset search be conducted to uncover the assets and liabilities that are important to the interests of the client and their case. Since an asset search from a reputable asset search company usually costs less than \$ 200 per search, it is a no-brainer for the client and their attorney to conduct an asset search at the outset of every case, considering the money and fees involved overall in these types of cases.

2. To Obtain a Greater Monetary Settlement

Obtaining a greater monetary settlement by conducting an asset search is particularly true in a personal injury case, especially where the damages exceed the insurance coverage or when there is no insurance coverage at all. If the defendant has only limited insurance coverage or no coverage, but owns assets or real estate that can be attached to compensate the client for their injury, both the client and the attorney benefit from conducting an asset search on the defendant.

3. To Gain Leverage in Negotiation, Litigation or Mediation

In a divorce case, whether contested in court or mediated privately, it is crucial for your client to know what the other spouse actually owns or has an interest in. It is not uncommon for one spouse to omit or intentionally conceal assets. This is particularly true if your client has not been involved in managing the family finances throughout the marriage. An asset search will uncover what you need to know to aid with discovery, such as with interrogatories, document requests, depositions and as supplement to financial statements or affidavits. Knowledge is power which can be leveraged and can help tip the scales when it comes time to settle or litigate.