

Broker's Notes

Broker Beware !

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Insurance people, (brokers, adjusters, underwriters, & claims examiners) and golfers are almost synonymous terms and everyone wants to insure "their" local club.

You've joined the crowd and successfully offered your services to your local golf facility.

From a broker's point of view, golf clubs are one of the most complex risks that your office is ever likely to write, and the Errors & Omissions exposure is huge.

Here are some points to consider;

Physical Size - Even a small golf club will cover, 60, 100 or 150 acres of land. Almost all of it covered with developed assets and hidden risks. Have you even seen it all ?

Seasonal Business – With the exception of select areas in B.C. golf clubs in Canada are seasonal businesses. The owners have to make a whole year's income in six to eight months. They don't have time to study insurance during the season and they disappear to rest or to other jobs, in the off season.

Outdoor People – Golf club owners and operators obviously tend to be "outdoors" entrepreneurial people. The industry is not generally staffed and run by accountants and paper-pushers who read insurance contracts, complete detailed forms and reports or compile and file records. They are going to expect YOU to do that.

Golf Knowledge – You have golfed all your life and you are a low handicap. What do you know about running a golf club operation and the inherent insurance risks ? You've always worn a watch and you use a cell phone too, but do you know how they work ?

With the exception of a couple of programs like ClubPac and the golf program administrators, insurance companies don't understand golf club operations either.

Multi – Operational – 100's of acres of developed land; self-constructed and maintained roads, paths, bridges, dams, tunnels and culverts; slip & fall exposures; outdoor sports participation; full restaurant operations; banquet hall facilities; business conference centers; driving ranges; mini-putts; children's golf camps; heavy construction equipment; full bar services; barely controlled unauthorized alcohol consumption; large parking lot and possibly valet services; major environmental impacts; toxic chemicals; flammable fuels; motorized vehicle rentals; bailee's storage operations; seasonal and minimally trained staff; volunteers; non-traditional and varied revenues sources; retail / proshop operations; and subcontractors.

This list doesn't even address the miscellaneous non-golf "sidelines": swimming pools; boat docks; marina facilities; tennis courts; tennis bubbles, marquee tents; squash courts; x-country

skiing; private landing strips; fitness centers; curling rinks; housing developments, campgrounds; related resorts; rental cottages; etc.

Multiple Ownership Structures – Private, semi-private, public, municipal; joint ventures; conglomerates; member equity ownerships; non-equity memberships; sole proprietorships; partnerships; developers; land stratas; for-profit and non-profit corporations, societies, etc.

Location – Golf clubs tend to occupy non-traditional business locations. They are often developed in remote locations and while some remain so, others are later engulfed by development. This results in neighbour issues; non-conforming buildings; limited fire & police protection; private fire protection; private drinking water; etc. They don't occur in neat fire-resistant shopping malls in the middle of town.

Lines of Insurance – Because of the complexity and diversity of the operations, golf clubs require virtually every line of insurance protection, and many of their exposures do not fit into the standard policy wordings and require manuscripted contract solutions. Multiple types of property: immovable, moveable, owned, leased, real, underground irrigation; and course & greens; crime & bonds; unique business interruption exposures; liability: general, employer's, bailee's, environmental, tenant's legal, punitive, participant's, advertising; publishing; discrimination; employment practices; directors & officers; cancellation / closure; weather; machinery & systems breakdown; and unusual unique needs such as Hole-in-One and Tournament liability.

Do you have any other small business client who needs virtually every type of insurance ?

Loss Control – Or the lack of it. With such huge and diverse activities, the Risk Exposures and the potential Loss Control requirements far exceed the resource abilities of 99% of golf clubs in Canada.

Golf clubs are the only sports activity in Canada that still does not universally use waivers and indemnity agreements. In fact not even the majority do. Golf clubs still often operate on a "handshake and the strength of a man's (or woman's) word"... An admirable quality but not very practical in the event of a legal problem.

Due to the location of the vast majority of golf facilities in Canada, the availability of public resources for: fire, crime or emergency; protection or assistance; inspection; and compliance enforcement are limited.

Virtually every golf club would benefit from the full time services of a professional Risk Manager, but not one could justify the cost and most could not afford the luxury.

Broker, you are it !