UST insurance

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dents Association of America annual confer-
cence in Orlando, Fla.

It is with the hopes of avoiding situations
like East Overshoe’s that Shanks’ company
and the Golf Course Superintendents Asso-
ciation of America annual confer-
ence in Orlando, Fla.

Shanks said it will cost the United States
between $1 billion and $3 billion to clean up
the potential damage from the nation’s 2
million USTs. Of those 2 million tanks,
200,000 are leaking. Some of that leakage
eventually winds up in ground water that
is the primary drinking source for half the
people in this country.

Most of those tanks are located under
service stations, but many are at golf courses.
A Financial Guardian superintendents sur-
vey revealed that 84 percent of those re-
spending had at least one UST at their course
and 66 percent at least one above-ground
storage tank (AST). Of those tanks, 50
percent were at least 10 years old and 54 per-
cent were made of bare steel, which is more
likely to leak and has been illegal to install
since 1985.

So, the potential is there for some major
problems from the 15,000 USTs and 7,000
ASTs First Guardian estimates are located
at the nation’s golf facilities.

What does that mean to a golf course?
E. L. Homer 5.13.12
Shanks: “We’re not looking at two feet of concrete
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people in this country.

What does that mean to a golf course?

If the Environmental Protection Agency
finds a course in violation of its storage tank
standards, it has the power to levy fines up to
$50,000 per day. There is then the likelihood
of massive court costs fighting
lawsuits from landowners whose water sup-
plies have been contaminated.

New EPA regulations that take effect Oct.
26 require golf facilities with USTs to prove
financial responsibility of at least $500,000
per occurrence and $1 million per year.

The GCSAA-sponsored risk retention
group policy provides the EPA-mandated
liability coverages and does it one better
with an additional $250,000 for defense costs.

The policy does not cover replacement
or repairs to existing tanks. Deductibles can
be as low as $50 per tank if a course takes
advantage of credits offered for things like
superintendent participation in a correspond-
ence course or GCSAA seminar (10 per-
cent off); controls that exceed EPA require-
ments (15 percent); and completing and
complying with the Hall-Kimbrell Environ-
mental Compliance Assistance Program (10
percent).

There have been stories that companies
were going to charge $50,000 per golf course.
There are some that charge $3,500 mini-

mum per course. But we’re going to do it on
a per-tank basis. Your course, if it’s average,
is paying $25,000 per year for property and
casualty insurance. Some are up to $60,000,
$70,000, $80,000, even $100,000. We’re talk-
ing about $431 per year,” explained Shanks.

UST insurance costs are lower for golf
courses than similar coverage for service
stations because the generally smaller and
newer tanks at golf facilities are lower risk,
said Shanks. Service stations may have
trouble even getting insurance now that
EPIC, which insures 29 percent of service
stations, is going out of business, he added.

Tank insurance is also less expensive and
usually easier to acquire than the alterna-
tives for meeting the EPA $500,000/$1 mil-

lion requirements, according to Shanks.

Those alternatives include surety bond,
letter of credit, guarantees from parent
company, self-insurance (requires $10 mil-

lion net worth) or state trust funds (many
are under-capitalized and have tight restric-
tions).

“Because of the lower risks associated
with these golf course tanks, we were able
to build a lot of nice extras into the program
and still make it very affordable for golf
courses,” said Shanks.

“We’re not looking at two feet of concrete
covering existing tanks at a gas station in the
middle of downtown Orlando that could
have leaked into the city’s water system. So
we feel our losses will be lower and our rates
can be held down.”

In addition to meeting EPA-mandated
coverage and defense costs, the policy pro-
vides third-party coverage and clean-up
costs, both on and off premises, in case a
leak moves onto adjoining property.

The policy does not cover replacement
or repairs to existing tanks. Deductibles can
be as low as $1,000. And the policy can be
written by a local insurance agent that cur-
rently handles course coverage.

A packet should be reaching courses
shortly, if it hasn’t already. It contains a
letter explaining the program and an eight-
page application to be filled out by the insur-
ance agent with the help of the superinten-
dent.

After obtaining insurance, at least one
of the following will be required:

• for younger tanks, a computerized in-
ventory analysis requiring daily readings
that are then sent to a lab to check for leaks;
• for older tanks, a tightness test at a cost
to the course of about $550;
• soil borings if there are any indications
of a leak;
• a loss control program at all courses
with USTs.

Naturally, if there is already a pollution
problem from a tank, coverage isn’t avail-
able.

“If the building’s already on fire, you don’t
buy insurance,” quipped Shanks.

The deadline for meeting the EPA re-
quirements is Oct. 26. But it can take from
90 to 120 days, with no complications, to
comply with the EPA and insurance tests,
eXcept in the case of a newly installed tank.

So you should start the process as soon
as you get the packet,” suggested Shanks.

One of Shanks’ concerns is that some
states have yet to begin certifying environ-
mental contractors. Certified contractors are
required to do much of the testing to meet
the EPA and insurance requirements. Fi-
nancial Guardian can supply a list of certi-
"fied contractors.

“The success of this program is that we all
work together,” concluded Shanks. “There
are many companies that have refused to
cover golf course tank insurance all to-
gather.”

Retired Air Force Col. James B. Irwin, the eighth man to walk on the moon, signs copies of
his book after speaking at the annual Prayer Breakfast at the GCSAA’s 61st annual
International Golf Course Conference and Show, John Ebel of Barrington Hills (II.) Country
Club, who has organized the breakfast for 11 years, asked for "a new young face" to volunteer
to take his place.

Norwood Hills’
Null wins 2nd
GCSAA title

After a first-round 77 on Orlando’s Hunt-
ers Creek Golf Course, Roger Null came
back with a 72 on The New Course at Grand
Cypress to win the 1990 Golf Course Super-
intendents Association of America Golf
Championship.

In winning his second title (he also won
in 1983), the superintendent at Norwood Hills
Country Club in St. Louis, Mo., took home
the Bobby Jones Trophy and the United
States Golf Association traveling trophy.

One stroke behind Null, with a gross score
of 150, was Chuck Green, superinten-

Green’s net score earned him the Champi-
onship Flight net division title.

The Carolinas GCSA #1 team of Green,
Dave Powell, Gary Bennett and Dyrck Fan-
ning won the Scottish Trophy for the gross
division of the chapter team competition.

Ray Beaudry, Ted Maddocks, Mike Reeb
and Mike Wallace of Connecticut GCSA #5
combined to take the Frank Lamphier Tro-

phy awarded for the chapter team net divi-
sion crown.