

INSURANCE:

Is your course really covered?

Like every other individual or institution, private golf and country clubs are subject to accidents, fires, disaster and malicious pranks and therefore need insurance protection.

Historically, the difficulty faced by private golf and country clubs was their insurance requirements were so unique that they were forced to go to several different insurance underwriters to secure proper coverage. The result was either overlapping coverages with unnecessary costs — or insufficient protection.

Now, all that has changed for most private golf and country clubs with the recent introduction of comprehensive insurance packages — available from one source — providing coverages ranging from insurance for greens to insurance for hole-in-one kitties. Clubs can choose one coverage or all.

The current insurance arena reflects the widespread ravages and effects of inflation. This includes not only the increased value and cost of products and services, but also the economic effects of unemployment that usually result in increased losses, thus compounding the upward effect on premiums.

Insurance companies are not charitable institutions. They also have an obligation to provide an insurance market for business and social needs. Without the availability of such an insurance market, severe curtailment of growth would be necessary to take care of those situations that could end in severe financial detriment to individuals and organizations. Insurance premiums have been increasing at a rapid rate. While more publicity has been given to the medical malpractice area, the effect stretches from business insurance to personal insurance.

With this in mind, and no improvement seen for the short term, some of the larger brokers and agents began working with associations to provide insurance programs offering necessary coverage for specific groups at a reasonable cost. These programs are designed to ensure the insurance

company involved will receive a sufficient spread of risk (which is the key insurance statistical calculation) to enable them to make a profit, maintain the necessary coverages for the individuals and keep the cost competitive. This trend appears to be developing at a fast rate and is not limited only to trade associations and other organizations.

Thus, insurance companies have developed the private golf and country club program. This program provides basic fire and liability insurance (including liquor law legal liability) on a package basis, but can by extension, include other coverages that can be of extreme importance to a club. For example, greens coverage is available in the event that a green is vandalized or otherwise damaged, and replacement of the green at a reasonable cost is required. This coverage does not extend to every eventuality, but does provide coverage against a majority of things that could cause damage to a green.

Another example is Hole-In-One coverage. The program can provide the lucky golfer with a prize, so each member does not have to pay into a kitty. While this coverage has been separately available for many years through Lloyd's of London, it is now available from the same group that handles the package on this program. Other special extensions include trapshooting liability for exposures arising out of trapshooting, and cross-country skiing coverage.

The following is an outline of the many coverages available in a popular program:

- Buildings, Equipment and Stock.
- Bodily Injury, Property Damage and Comprehensive General Liability.
 - a. Products Liability
 - b. Personal Injury (incl. employees)
 - c. Employees Named as Insured
 - d. Fire Legal Liability
 - e. Garage Keepers Legal Liability (incl. golf cars).

- f. 30-days Automatic Coverage for newly acquired businesses
- g. Medical Payments
- h. Non-owned Automobile and Hired-Car Liability
- i. Liquor Liability
- Blanket Crime Bond with coverages of
 - a. Employee Dishonesty
 - b. Loss of money and securities
 - c. Loss due to counterfeit money
 - d. Depositor's Forgery
- Workmen's Compensation
- Optional Coverages Available:
 - a. Business Interruption
 - b. Extra Expense
 - c. Accounts Receivable
 - d. Valuable Papers
 - e. Plate Glass
 - f. Signs
 - g. Fine Arts
 - h. Difference in Conditions
 - i. Comprehensive Auto Property Damage & Liability
 - j. Hole In One Coverage
 - k. Trapshooting Liability
 - l. Cross-country Skiing Liability
 - m. Directors & Officers Legal Liability
 - n. Greens Coverage

Programs also feature a financing plan that allows each club to spread the premium over the year, and can, in some instances, allow for no premium payment during the three months of slow activity.

This program is designed for privately owned clubs only. Because of the various insurance laws in various states, it is not available in some states.

Research indicates that this is the only formalized property/casualty insurance program available for private golf and country clubs, and it is one that will help keep the cost of insurance as low as possible, while providing the various coverages that individual clubs need by necessity and/or by option. Obviously, a local agent can provide the majority of these individ-

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ual coverages either by package or by separate policies with his insurance companies.

The purpose behind a group plan is that the carrier providing the program will receive many more golf and country clubs than other carriers. Thus he can in some areas base the premium upon the experience of private golf and country clubs as a group, rather than on a limited number, and apply other overall statistics. Initially the short-term benefits may appear slight, however, the long-term benefits can be extremely good as the number of clubs insured in this program increase.

This program is not an endorsed program by an association. Consequently, it is open to any private golf and country club, not just those of any particular group or association. This insures a wider base than might otherwise be available and thus also allows a better spread of risk for the insurance carrier. The long-term goal of such an approach is to identify a specific group (i.e. private golf and country clubs), allow that group to develop their own experience on all lines of insurance and be charged premiums in accordance with their own experience.

In some cases a local agent has approached a company and works with the brokerage firm to provide this program to a particular club. While this does not appear to be the most advantageous method, as it may increase the cost, it is an option.

The insurance company that is providing this program through Marsh & McLennan, the world's largest insurance broker, is Commerce & Industry Company of New York, a major all-lines insurance organization whose experience in the development and organization of such a program has been well demonstrated. The joint approach with a broad distribution of local insurance brokers provides the necessary local service.

Chances for successful coverage for clubs with these types of plans looks appealing. It seems, that the majority of clubs can meet their individual needs at a cost that is reasonable in light of today's economy.



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