

Are You Covered?

Insurance Options for Golf Courses

As a superintendent, you may or may not be responsible for the purchase of insurance coverage for your golf course. If you are responsible, here's a brief overview of some things to consider. If you are not, you may want to discuss these issues with the person who does the purchasing to possibly help reduce your insurance costs and yet provide adequate protection for the course. In today's world, we need to make sure that we protect ourselves properly.

Some insurance companies are now targeting the golf industry, with specific programs aimed at our needs. Check with your agent for availability in your area.

You gain protection either through insurance or by self-funding the exposures. Your comfort with the degree of risk associated with the exposures will help determine whether you buy the coverage or self-insure.

You may purchase insurance for the traditional exposures of property, crime, inland marine, general liability, boiler/machinery, automobile, worker's compensation and umbrella coverage. Some insurance companies are now also offering additional enhancements by providing coverage for the directors and officers, limited pollution coverage, employment-related coverage and environmental coverage for those courses built on landfills or with underground storage tanks. Not all insurers can provide coverage for all of these. Some insurance companies are now targeting the golf industry, with specific programs aimed at our needs. Check with your agent for availability in your area.

Property

Here, you need to look at the exposures to the basic causes of loss—fire, wind, lightning, vandalism, etc. For fire, look at your storage of chemicals and other flammable liquids. Do you have proper cutoffs to contain a fire if it starts? How well are the buildings maintained? Wiring checked regularly? Does your clubhouse use deep fryers? If yes, are they properly protected?

The concern for lightning coverage is now to protect the extensive electrical equipment we use—the computers, phone systems, etc. Are these properly grounded?

(continued on page 17)

Crime

Here, you can buy coverage to protect the club from loss due to employee theft (hopefully not a big concern if you are pre-screening employees) and from loss to members' or guests' clubs and other personal property.

Inland Marine

This is not coverage for boats and such. You need to look at inland marine insurance to cover your golf carts, the signs on the course, computer equipment, grounds equipment, accounts receivable and fine arts. Usually this coverage is included with your property coverages.

Business Interruption

Consider this coverage if you are concerned about the revenue that could be lost if, for some reason, you have to shut down the course for a period of time.

Boiler/Machinery

Consider this coverage for your boilers, refrigeration equipment and possibly your sprinkler systems.

General Liability

This coverage protects the course from loss occurring on the property from slips, trips and falls of the guests or members. You might be able to reduce your insurance costs if you address your safety exposures adequately. Look into posting lightning safety signs on the course or at using lightning warning systems.

Worker's Compensation

This protects the employees if injuries occur on the job and provides some medical benefits. Costs are rising in the insurance industry now, so look at reducing your exposures. Discuss the

possibilities of reducing costs with your agent or insurer. Some companies offer reductions if you have a drug-free workplace program in place. Ask if the company offers a managed care program or a return-to-work program. These are designed to help get injured employees back to work more quickly and reduce your costs. Are your employees properly trained in reducing physical stress injuries? In spraying of chemicals?

Automobile

Make sure that any employee who may drive a company vehicle, even if it is just to run an errand for the course, is properly licensed. Are the vehicles well-maintained? Do you have appropriate security for the vehicles when not in use?

Umbrella

This simply provides an extra layer of coverage for the exposures just listed, as well as some coverage for exposures you might not have expected.

What About Recent Coverage Enhancements?

Do you need coverage to protect the actions of the directors and officers of your club? This coverage has not always been offered by insurance companies, but is now becoming more commonplace. This coverage can help pay some of the defense costs associated with lawsuits brought against the directors and officers or the club itself.

More and more insurance companies are offering some kind of coverage to protect you from possible problems (losses) that may arise from the spraying of chemicals on the course. Some companies offer coverage

for overspray onto neighboring lawns.

A newer coverage that may or may not be available in your area is employment practices coverage. Not every company is offering this, but this coverage protects the club if an employee alleging improper hiring or firing techniques, harassment, etc., sues you. An insurance company will want to look at your employee handbook before offering to provide this coverage to determine how you address issues.

Some insurers are also offering environmental coverages for any underground storage tanks (leaks, etc.) or if your club is built on a landfill. Again, these may or may not be offered in your area.

Check with your insurance agent about these coverages. That agent may or may not be associated with a company that offers these. If you are truly interested in finding a company, ask your agent to investigate further or check out the Internet. All of the major insurance companies have Web sites and some will offer assistance in finding a licensed agent for that company.

In the litigious world we now live in, we must make sure that we are properly protected. Insurance coverage is one way to gain this protection. 