

Fringe insurance coverage saves big money after storm

By DOUGLAS L. SMITH

COLUMBUS, Ga. — Can your insurance come to the rescue after a storm? That was the case at Maple Ridge Golf Club here.

This past summer was a destructive weather-maker. There were several devastating hurricanes and many strong thunderstorms throughout the Southeast. An enormous amount of damage resulted. Maple Ridge was no exception as Hurricane Opal made its path through Florida, Alabama and Georgia. Opal caused thousands of dollars in cleaning expenses to Maple Ridge. The 60- to 65-mile-per-hour winds were sustained for about two to three hours. That was not what laid the ground work for the damage, it was the six inches of rain received just before the winds. The ground had become so saturated the trees just toppled like dominoes.

Maple Ridge had more than 200 trees damaged by the late-season hurricane. A complete tour of the course was impossible without a chain saw in hand, because trees were strewn over cart paths and fairways. Very few holes were left unaffected. Fortunately, a chain saw was purchased the day before the storm, "just in case." Due to the widespread damage, another chain saw was bought the following day. Having the chain saws really helped accelerate the clearing process. In all, it took two days and more than 200 man hours to get the club reopened. Although the damage was severe, Maple Ridge was lucky in comparison to some area clubs. Some were closed for almost a week, and one had to use helicopters to remove downed trees that littered its fairways.

The work at Maple Ridge was far from being finished when the club reopened. Many damaged trees still lay outside the playing areas. The entire cleaning process was having a big impact on our limited maintenance budget. So, the decision was made to check the club's insurance coverage and to phone the insurance agent. Maple Ridge explained there was no structural damage to the buildings or greens, but there are many trees were damaged. The agent, John Capolla of Haynes, Peters and Bond in Jacksonville, Fla., said the club might be able to receive some repayment from the storm damage.

Capolla explained that Maple Ridge was one of a limited number of clubs that had a "fringe coverage" clause in their insurance coverage that provided repayment for tree removal from



The hundreds of trees knocked down by Hurricane Opal at Maple Ridge Golf Club were costly to clean up.

playing surfaces and traffic routes. The coverage was offered by Royal Insurance Co. of Atlanta to encourage more clubs to sign with it. Capolla explained that Maple Ridge was part of the insurance company's special program because the club met the three requirements necessary for participation: It is semi-private, has at least 50 percent member play, and is a member of the Southern Golf Association. The policy covered the costs involved in removing storm-damaged trees from immediate playing surfaces such as greens, tees, fairways and cart paths. Also, the damaged trees had to prevent the club from normal daily operation.

It was evident Maple Ridge was most likely eligible for repayment and a claim was warranted. However, some ground work was necessary to have the claim put into action. This included taking photographs, writing a letter explaining the storm damage and how it affected the club's daily operation. The letter also broke down the compensa-

tion the Maintenance Department was seeking. Usually an insurance adjuster would assess the damage by visiting the site and taking photographs. However, due to the vast region damaged by the storm, it took a few weeks before an adjuster was even available. Submitting the required information enabled the club to begin tree removal without delay. Later, when the insurance adjuster visited to confirm the damage, he explained what was covered in the claim and what was not.

Maple Ridge Golf Club was able to claim:

- Labor expenses: The time necessary to cut trees into sections, haul them off logs, chip branches and remove stumps. (Payroll taxes and employee benefits were not covered.)

- Equipment use: A backhoe, chipper, dump trailer, and utility tractors were used to aid in cleaning. Since not all clubs have access to this type of equipment, Maple Ridge was allowed to figure what equipment rental costs would have been, less the rental

industry's average profit margin.

- Equipment purchase: The cost of the new chain saws was originally claimed. But, the club only received the original value of the chain saws, less the salvage cost — which is what the saws would have been purchased for if the insurance company tried to resell them.

Though the "fringe coverage" was a clever marketing tool, it saved Maple Ridge unforeseen expenditures. Capolla, the insurance agent, said: "In many cases, indirect losses, such as labor and equipment expenses can be



ON THE GREEN

much more expensive than direct losses, such as structural damage."

Without question, such was the case at Maple Ridge. Fortunately, with its fringe coverage, Maple Ridge was able to ride out the storm.

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Douglas L. Smith is a 1989 Penn State graduate and has been the superintendent at Maple Ridge Golf Club, a W.C. Bradley Co. development, since the construction stages in early 1993.