

FOURTH OF A SERIES

CUT DOWN YOUR INSURANCE PREMIUMS

The previous articles in this insurance series have explored the different inland marine and fire insurance policies that protect a country club's real and personal property. Nothing has been written about the considerable expense of insurance protection. The reasons for the high premium requirements may be put into perspective, and ways to reduce high premiums should be studied by every country club. Not only is this study important, but proper steps toward that goal usually lead to more generous authorizations by insurance companies concerning the amount of coverage they would be willing to place on a country club's property when fire protection standards have been upgraded.

CONDITIONS DETERMINE RATES

Before examining the benefits of various fire protection equipment, which may be used to upgrade the quality of a club's fire defenses, let's look realistically at the conditions that fire insurance underwriters review to determine whether or not they will authorize protection on country club property, particularly on a high-valued clubhouse. Usually, the clubhouse and its contents are the major items of consideration by fire underwriters.

Here are some of the questions that the fire underwriter must resolve before granting an authorization to the insurance agent to commit his insurance company to a portion of the protection on the club property.

Because country clubs are usually located in towns that do not have the same quality fire-fighting facilities as large urban cities, many additional factors are considered. These include the community's fire defense:

1. Is the local water supply adequate to fight the exposure?
2. Does the local fire department have dependable lines of

Country clubs should examine local fire-fighting facilities and their own fire-prevention equipment. They could be costing thousands of additional dollars in premiums

by JOHN F. GLEASON JR.

communication between the country club and its station even during the winter?

3. Is accessibility assured regardless of weather conditions?

4. What is the fire department's strength in men and equipment?

5. Is the number, proximity and distribution of proper fire hydrants adequate to the fire loss potential exposure of a club?

Construction of the major buildings is the next most important question to be resolved. Underwriters consider these factors:

1. Are major buildings constructed of fire-resistive brick or brick-veneer? Or do they have frame construction? Sometimes a clubhouse is a poorly balanced combination of these materials.

2. What is the age and maintenance upkeep of the buildings?

3. Do buildings have large open areas, which tend to increase the spread of flames, or are they constructed with smaller areas and fire walls, which restrict the spread of fire?

4. What fire protection devices are installed and used by the club in its major buildings? Are there automatic sprinkler systems and automatic fire detection devices? Are either of the above devices connected to an approved central station alarm company or the local fire department switchboard? Are approved watchman rounds required, with hourly rounds and approved stations clocked into a standard watchman's clock?

5. Are portable fire extinguish-

ers properly maintained and properly placed throughout the clubhouse building? Properly maintained extinguishers are normally recharged and labeled at least once a year.

Fire underwriters place much concern on the general attitude of the management and membership of a club when considering the authorization of fire insurance protection. Here are some of the questions that they ask:

1. What is the moral attitude of the membership toward their club?

2. Does the club have good housekeeping practices? Does the administration, manager and general employees understand the importance of proper upkeep and cleanliness of areas not generally used by the membership?

3. Is the cooperation of the club with fire prevention departments and other inspection service organizations one of willingness to comply with recommendations?

4. Does the club have the finances to put these recommendations into practice?

5. Does the club maintain proper safeguards against smoking hazards. These cause more than one-third of the fire losses in country clubs.

6. Are rooms containing high-pressure boilers, refrigeration machinery, large transformers, air conditioning units, liquor storage and other service equipment effectively cut off from social assembly areas?

7. Are stairways cut off by fire doors to restrict the spread of fire between various floors of the clubhouse; for example, are paints and flammable liquids stored in metal lockers.

This list may seem long, perhaps unreasonable, but knowledgeable fire underwriters want to know that these fire safety conditions are maintained at a country club because of the tremendous annual fire loss record associ-

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ated with this class of property.

The town in which a club is situated naturally has a pronounced effect on the premium required to protect club property against loss by fire. If the club is located in a city with adequate water supply under pressure, adequate fire hydrants and a good fire department, then the premium requirement for insurance will be much lower than if the same property were located in a town that has inadequate fire defenses.

If your country club is located in a town with poor fire-fighting facilities, then your membership must consider various personal ways to reduce the particular fire insurance premium rates. There is no finer way to start one's study of rate reduction than by looking into the installation of an automatic sprinkler system.

UPGRADING FIRE PROTECTION EQUIPMENT

When properly engineered and installed by a qualified automatic sprinkler installation company, the fire insurance premiums insuring a large clubhouse may be reduced from 50 to 80 per cent annually. The premium savings will pay for the cost of the installation in less than five years. Not only will it pay for itself in this short period, but fire underwriters will be far more generous in the amount of fire insurance coverage that they will authorize on a clubhouse in a remote setting.

Many memberships do not believe that fire-resistive clubhouses require automatic sprinkler protection. The records show that combustible contents within a fire-resistive clubhouse may nonetheless cause extensive damage. Not only can internal fires create a serious financial loss to a country club, but can reduce its necessary revenue during the period of refurbishing.

At clubs located beyond public water mains, proper water supply will require the engineering of a qualified sprinkler company. Frequently, elevated water tanks will afford the required supply to gain the approval of the rate-mak-

ing authority having jurisdiction in the rural area of the country club. For clubs located in towns having a public water distribution system, proper water supply under pressure usually presents little problems.

However, no country club should consider the expense of an automatic sprinkler installation until the plans and the water supply and pressure have been approved by the rate-making authority. This final approval by this authority should be incorporated into the installation contract before any work begins.

There is always the normal amount of human resistance to an open-minded evaluation of automatic sprinkler protection at many country clubs. Many resist the cost as a non-income producing expenditure. Others contend that sprinkler pipes detract from the beauty of the clubhouse. Automatic sprinkler representatives need only a reasonable opportunity to demonstrate the ease with which sprinklers may be installed without offending the view.

Unfortunately, automatic sprinkler systems utilizing water as their fire fighting agent are ineffective against hot grease fires, which frequently emanate from over-taxed kitchen ranges, hoods and duck work. Fires in this area must be extinguished by such smothering agents as carbon dioxide (CO₂) or dry chemical (sodium bicarbonate).

Nearly every city and town in the country has fire protection codes that require public restaurants to equip their kitchen range facilities with automatic fire protection systems that use an agent that will properly extinguish hot grease flash fires. When a properly engineered and installed system is utilized by a country club, the fire rating bureau will again grant more reduction in the fire insurance rate of a clubhouse over and above that granted for automatic sprinkler protection of the non-cooking areas. This combined reduction is often substantial!

Despite the merits of the foregoing automatic sprinkler and automatic kitchen protection sys-

tems, many clubs look to less expensive means to appease fire insurance underwriters. Unfortunately, there are few other devices that fill good underwriting requirements.

Some country clubs turn to various fire detection and fire alarm systems. Although these may be helpful, the rate reduction credit for their use is very slight, and the additional consideration by fire underwriters commensurate. Let's face it. Detectors and alarms do not fight fires, and although they may assist in giving fire departments considerable headway, flames can take hold before the fire fighters arrive.

Historically, 92 per cent of the fires at country clubs in this nation have experienced delayed discovery, hence the amount of property damage has been tragic. Of these, 35 per cent were discovered by passing motorists or distant motorists. In 45 per cent, there were members or employees on the premises, yet the alarm was late. The percentage that were properly and quickly transmitted to the responding fire department by automatic detection and alarm equipment were minimal.

These statistics further point out that many country clubs make no effort to provide adequate alarm facilities for the valuable property they own and want insured.

Although many dependable fire detection and alarm systems are available, their reliability depends on proper selection, installation and regular inspection and maintenance. Only systems that have been tested and approved by Underwriters' Laboratories, Inc. (UL), should be considered. The rigid standards of the American Insurance Assn. must be followed to achieve any insurance premium reduction by local rating authorities.

To achieve maximum rate credit, the alarm system should be tied into a local, central station office that maintains supervisory alarm headquarters or into a municipal fire department receiving station. Alarm systems that sound only on the country club's premises give little protection and no premium credit worthy of the expensive involved for the installation.

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C.J. SULEWSKI, vice president for growth planning and development for Johns-Manville, was appointed chairman of the board of General Sprinkler Corp. In addition, W.D. GACHES, formerly general manager of Johns-Manville Irrigation Corp., was appointed executive vice president of General Sprinkler. J.L. COSON, president of General Sprinkler, remains as president and general manager. General Sprinkler Corp., of which Buckner Sprinkler Company is a division, was acquired, along with two affiliates, Fresno Brass Works and Catalina Machinery and Equipment Company, by J-M in March.

BILL TAVENER has been appointed a ProTurf rep of O.M. Scotts & Sons for north central California. Covering the Dallas area is GARY MCELVANEY; JERRY GOULD covers the Mid-Atlantic area.



McElvane



Tavenner



Gould

ALBERT S. ALEXANDER has been appointed territory manager of Dunlop Sporting Goods, Sports Div.,

for northern California. GARY R. GIGLER becomes territory manager for central California and LEW SHEARY for eastern Nebraska and Iowa.

BILL J. WARREN has been named southwest regional sales manager for the Weather-matic division of Telsco Industries, Dallas. His territory includes Texas, Oklahoma, Arkansas, Louisiana and western Tennessee.

ROBERT LEE joins Alsport, Inc., Norwalk, Ohio, where he will be responsible for design and engineering on existing products and design concepts on new products.

RONALD B. POPE has been appointed vice president of administration of Golf Tech, Inc., Lomita, Calif. Previously, he was product manager.

KENNETH I. BOYCE has been appointed marketing services manager of Victor Golf, a division of Victor Comptometer Corp., Morton Grove, Ill. He will be responsible for sales promotion, public relations and advertising activities at Victor Golf.



Boyce

WILLIAM AUSTIN moves up to the post of eastern zone sales manager of General Battery Corp., Reading, Pa. CLARENCE ROLLINGER has been appointed manager of the company's new plant at Selma, Ala.

JOHN T. SINGLETON and JOSEPH SARKISIAN have been promoted: Singleton to manager of golf course sales and Sarkisian to Northeast district manager for the Moist O'Matic Div. of The Toro Company in Riverside, Calif. THEODORE D. MATULA has joined Toro as district manager of a newly-formed East Coast territory, which extends from Pennsylvania through Georgia.

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The same attitude exists with respect to watchman services at a clubhouse where the watchman does not clock his rounds hourly on an approved watchman's clocking device and the clocking stations are located in every remote area of the clubhouse.

If your country club is having problems in placing sufficient fire insurance on a high-valued clubhouse or the rate appears to be excessive of that which management would like to annually pay, perhaps it would be worthwhile to study the various approved fire protection systems. These will not only afford reduced rates for the insurance, but protect the club's property.

Every club should take the time and effort to consult with the local rating bureau about the various ways in which it may reduce its fire insurance premiums. Rating bureaus are usually helpful in pointing out the approved systems and in advising the percentages by which various systems will reduce premiums. No country club should ever undertake to install a protection system without prior approval of the rate-making authority. To install a system, then learn that it does not qualify, would be a costly undertaking if no credit were realized after it was completed. □



Joe DiFini (left) poses proudly with DiFini Originals staff member Suzie Maxwell Berning and her husband, Dave, following Suzie's capture of the Women's Open title.