

Signature Golf Information Centre

[Golf Course Risk Management | Finding The Problem Before It Finds You](#)

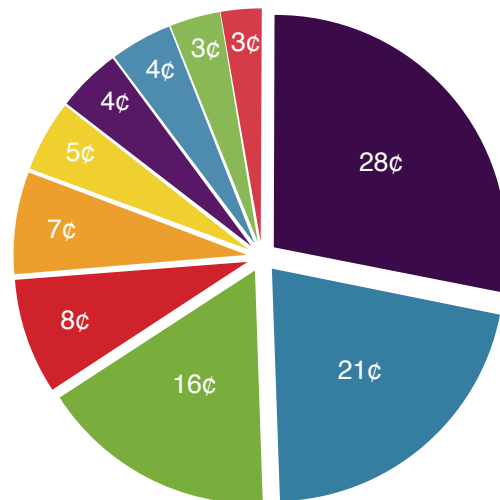
## Now is the Time to Begin Your Risk Management Planning

The holiday season is now behind us and there is no better time to start thinking about the year ahead and your plans for the upcoming golf season. One of the best ways to prepare for the year is to make some time to review the experience that you had last year. You have likely begun the budget planning process with your staff and perhaps you are even considering additions and improvements to your club? This is also the time to reflect on any problems that your club encountered last year and think about the best way to prevent similar issues and injuries in 2010.

The first step is to call your insurance broker and request a copy of your claims history. Without a full and thorough understanding of your own experience there is no way that you can possibly improve and you may be surprised by some of the claims that your insurance carrier paid on your clubs behalf.

**\$1 in Typical Golf Course Insurance Claims**

Now that you know exactly where your club has had losses it is helpful to understand the major risks at golf courses in general. The chart \* on the right shows where a \$1 in typical insurance claims go. To help illustrate where golf courses typically have losses the data has been broken down into the 10 major areas of claims.



As you can see, the biggest risk to a golf course is Fire (21%) followed closely by Slip & Fall Injuries (16%) and Windstorm Damage (12.2%). Some of the other areas include Worker Strains (5.2%) and Theft and Water Damage. These two categories account for nearly 7% of historical losses. But what you may not have known is that golfers are often “Struck by Objects” which accounts for 6% of all insurance claims and Libel and Slander (2.5%) is also a large source of regular claims.

- Fire
- Slip/Fall
- Wind
- Struck by Object
- Worker Strains
- Water Damage
- Theft
- Lightning
- Libel/Slander
- Hail

Many of these claims are preventable if appropriate and proactive measures are taken and now is the time to start talking with your staff about the historic and potential trouble areas at your facility.

\* - Source: St. Paul Travelers Insurance Company study of over 21,000 property and general liability claims filed over an 18 year period.

In a recent article published by *Occupational Health & Safety Magazine* they report that according to the *U.S. Consumer Product Safety Commission* there were approximately 103,000 golf-related injuries treated in doctors' offices, clinics and emergency rooms in 2007, which incurred a total cost of approximately \$2.4 billion in medical, work-loss, pain and suffering and legal fees.

There is no relevant data for Canada however if we apply the 10x rule we should have expected approximately 10,000 golf-related injuries during the same period on this side of the border. If we assume there are approximately 2,000 golf courses in Canada then each club in Canada would have, on average, had 5 serious injuries sustained by members, employees and guests of your facility.

### Frequency of Claims

We have seen where the insurance claims payments go so now lets take a look at the frequency of claims. The Travelers Insurance Company Study also looked at the frequency of claims. The table on the right shows the Top 10 Most Frequent Claims on a Golf Course by claim type.

Claim Type	% of Total
1. Slip, Trip or Fall	13%
2. Theft	8.8%
3. Worker Strains	8.2%
4. Vehicle Related	5.5%
5. Lightning	5.0%
6. Wind	4.3%
7. Non-powered Hand Tool	3.5%
8. Vandalism	3.0%
9. Water Damage	2.7%
10. Struck by Object	2.5%

It is important to note that the three most frequent areas of claims accounted for nearly one-third of all claims made. By reviewing the types of claims that happen in each of these areas and comparing your own golf club experience you will be in a better position to protect your facility against future problems. Knowing what to expect will help you to work with your staff to prevent the situations that lead up to these types of accidents and losses.

It must again be stated that this is U.S. data however the experience in Canada can be expected to be very similar.

### Empower Your Employees

Golf clubs are sophisticated operations that cover large amounts of real estate and ultimately they should be treated as a collection of mini-businesses. For starters they are recreational facilities but of course many golf courses also includes food services, retail sales, facility rentals, event hosting and other entrepreneurial enterprises.

Your staff must be experts in each of these areas ensuring that your members and guests enjoy their stay and if your team has done everything properly, they will be back.

One of the key traits of a good employee is their ability to find and solve problems *before* they happen. A golf course is full of potential problems and therefore you and your staff must always be thinking about potential risks even before anything happens. Simply waiting to react to a safety or liability issue is the best way to guarantee frequent trouble and potentially significant events that can cause you and your guests no end of headaches.

By discussing your club grounds and buildings as a group, and walking the property together you can work as a team to identify areas that may need your attention before the golf season begins. Take careful notes and make a list of potential trouble areas identified by your team. This exercise is also a great way to invite feedback from your key employees and department heads. After all, they are your frontline and most likely they have many positive ideas about how you can reduce risks around your club.

Begin your risk management planning by studying the specific areas where you have historically had problems and then ask your team how to best prevent these issues from occurring again. What have you done to eliminate the risks? Did you post signs? Have you made plans to re-contour the pathways? Have there been any new problems since you applied your solution?

### **Common Trouble Areas for Discussion**

This list is by no means meant to be exhaustive but hopefully it will act as a starting point to help you begin the conversation with your staff.

Here are some typical trouble areas that must be reviewed on a regular basis:

1. **Golf Car Operations** - This would include all the maintenance, the general handling and golf car storage areas.
2. **Golf Paths** - Obvious areas of concern include steep hills, sharp curves, blind areas, sharp drop-offs and roadway intersections that could lead to collisions with automobiles.
3. **Central Alarm Monitoring** - Clubhouse, pro-shop, golf club storage areas and all maintenance buildings should be alarmed and centrally monitored.
4. **Alcohol Control Policies** - Third party employee training and certification programs such as Smart Serve is the single most important risk management practice. Facility Use Agreements should be reviewed and in place prior to all events.
5. **Errant Shot Areas & Adjacent Property** - Review greens, tees, roadways and parking lots that are located in danger zones. Residential areas, roadways and neighbouring businesses.
6. **Junior Golf** - Kids can find trouble that you might never imagine. The major areas to look out for are golf cars, golf balls and golf clubs.
7. **Non-golfers** - Walkers, cyclists, parents, spouses and children unaccustomed to the rules of golf and proper etiquette may be at risk when on your property.
8. **Severe Weather Communication** - Does your course have a Lightning Detection System and what is your Evacuation Policy in the event of severe weather?
9. **Slip, Trip & Fall Control** - Review and walk the practice area, the pro shop, clubhouse and parking lots to identify any potential risks that should be signed or re-contoured.

- Employee Safety** - Maintenance workers, golf cart attendants, rangers, beverage cart workers and pro shop staff must be regularly briefed on the risks of working on and around your golf course.

By reviewing these key areas with your staff on a regular basis you are demonstrating a commitment to risk management and your employees will soon learn to always be thinking about the things that could go wrong at your facility. This exercise will also encourage your employees to report trouble areas and to suggest risk management solutions.

### Risk Management Ideas

Now that you have reviewed the main sources of claims at your club it is time to look at some ways that you can protect your facility against future problems.

Here are some risk management ideas that you can use at your club to communicate the dangers to your guests. Again, this list is meant to be used merely as a starting point and should not be considered to be exhaustive. Your experience, the input of your staff and your particular location will dictate the best methods for your facility.

10 Risk Management Ideas That You Can Use Now
<b>1. Use golf course signage to address safety issues:</b> Post warning signs on golf car paths, around hazards and include 'No Trespassing signs' where warranted.
<b>2. Use the scorecard to communicate safety information:</b> Your lightning policy, emergency information and shelter locations should be clearly marked on the score card.
<b>3. Use waivers and releases in all contracts, entry forms and rental agreements:</b> Players, golf car renters, non-players, events, weddings, banquets and tournaments must sign waivers.
<b>4. Written policies and procedures:</b> Create formal written policies and procedures to help employees address foreseeable situations.
<b>5. Acquire lightning protection equipment:</b> New technology will help you detect severe weather and evacuate the course quickly and safely.
<b>6. Solicit safety feedback from players:</b> Encourage the use of golfer surveys, customer comment cards and use golf car feedback cards and make them available to guests.
<b>7. Post golf course rules and regulations:</b> Rules regarding alcohol consumption, dangerous behaviour and horseplay must be clearly stated and posted in obvious locations.
<b>8. Create junior golf safety training:</b> Start your junior golfers thinking about safety as soon as they take up the game.
<b>9. Post safety information on bulletin boards:</b> Current events, pesticide application dates and construction warnings should be clearly posted for members and guests.
<b>10. Use your website to emphasize safety:</b> Dedicate a section to 'Player Safety' with information about lightning, the risk of skin cancer and the importance of yelling "Fore".

## Conclusion

Fewer accidents means fewer claims and fewer claims has a direct and positive impact on your club's bottom line but more importantly on your reputation and brand. In these competitive times nobody can afford to ignore the importance of risk management.

The first step is a commitment to safety. This commitment begins with you and must always take priority when dealing with staff, members and guests. The only way to prevent injuries and theft is to change behaviour and eliminate dangerous circumstances before a problem occurs.

The next step is to seek advice from risk management experts and employ their recommendations at your facility. Golf associations, insurance brokers and risk management consultants are an excellent source of information and well worth the time and effort required to enlist their services.

Constantly review your insurance claims history with your team and look for ways to avoid similar accidents and losses in the future.

Risk management is demanding especially when time, budgets and resources are already stretched to the max however the rewards of becoming and remaining claims free will pay dividends for years.

You must take up the challenge and lead your staff, your members and your guests. Help them become better risk managers by Finding the Problem *Before* It Finds You.

**ONLY A LICENSED INSURANCE BROKER CAN HELP YOU PROPERLY EVALUATE AND  
MANAGE YOUR INSURANCE NEEDS.**

## Disclosure

This report is for informational purposes only and has been prepared without taking account of your specific objectives, financial situation or needs. Signature Risk is not a licensed insurance broker in any province of Canada. Therefore, before acting on this information you must speak with your insurance broker and consider its appropriateness having regard to your objectives, financial situation and needs. Only a licensed insurance broker can properly assist you in making any decision about your specific insurance needs.