

# Reducing Golf Course Liability *Are Your Limits Up to Par?*

by Dave Berliner

*“I would like to deny all allegations by Bob Hope that during my last game of golf, I hit an eagle, a birdie, an elk and a moose.” - Gerald Ford*



*Golf can be a dangerous sport. Just ask anyone who was a spectator when former President Gerald Ford was playing a round. Whether yours is an exclusive country club or a rural municipal course, liability insurance should be an important part of any discussion with your insurance agent. Limits may vary depending on the type of facility, but in today's litigious society, an annual policy review is recommended to verify that your facility's coverage is up to date.*

There are many steps you can take to reduce the probability of minor incidents blowing up like Jean Van de Velde at Carnoustie. Everyone – especially the general manager, head professional or director of golf – should be aware of the exposures your members, guests or the general public could face as they step onto the first tee. Following are a few of the most common liability exposures and the suggested coverage limits for your policy.

### You're not just clumsy...the course was wet

The most common outdoor accident is the ever-present “slip-and-fall.” This exposure presents itself the moment a golfer enters your grounds. It can happen in the parking lot, on the way to the clubhouse, inside the clubhouse or on the course itself. While the invention of soft spikes may have been a superintendent’s dream, they aren’t a guarantee that slips and falls won’t happen, particularly in wet conditions. One way to help mitigate this type of exposure is to familiarize yourself with areas of concern: walkways or steps to tee boxes, cart-staging areas, on-course restrooms and severe slopes on the course. While it is probably impossible to *completely* eliminate this type of exposure, you can be proactive about reducing contributory factors. Place rubber mats in restrooms, install industrial carpet on steps and diligently maintain these areas so that they’re free of hazards. Minimum general liability limits of \$1 million per occurrence with a \$2 million aggregate are almost mandatory. Clubs that host outside events or charity functions may want to consider raising those limits or adding an umbrella policy with a limit of *at least* \$1 million. The risk grows exponentially when you host events with golfers who are less familiar with your course. Make sure you’re prepared for the worst-case scenario by maintaining adequate coverage limits.

### You really shouldn't drink and putt

Liquor liability is often overlooked as an exposure at golf courses, but it’s one that has the potential to cause a lot of problems. Private facilities that host weddings and other social events, or public courses with golf leagues and increased play in the evening should be adamant about liquor regulations. It’s imperative that only licensed employees serve alcohol and that your staff is trained and aware of the risks of “over-serving” guests. Many states have “dram shop” laws that permit people who are injured by intoxicated individuals to file lawsuits against the person or establishment that sold or served the alcohol.<sup>1</sup> It seems that drinking on the golf course has become as common as a 3-putt (in some instances, the two events are directly related), but your staff should be alerted to the potential dangers of over-imbibers who are loose on the course. Limits of \$1 million are recommended but, again, it’s up to the discretion of each particular club. And remember, liability isn’t reserved for the initial 18 holes—the 19th hole can be lethal, too.

<sup>1</sup> Golf Business Magazine, “Reducing Course Liability,” 2005.

### Playing though the hazards

Pollution liability is a huge exposure for every golf facility. Groundskeepers often use herbicides, pesticides and other chemicals to keep their course in tip-top shape, but they may be unaware that they are creating a liability exposure. Typically, the disposal of these hazardous chemicals is the source of the pollution problem, so it’s important that the maintenance staff be trained to use environmentally conscious methods of hazardous waste disposal. They should also be aware of potential chemical runoff which may find its way to a creek, river or other tributary. Contamination of ground water due to improper chemical application is more common than you might imagine. Be sure to verify that employees who perform the applications are licensed by your state. You will also want to discuss the safe storage of hazardous chemicals with your facility superintendent. A minimum limit of \$250,000 is suggested, but you should ask if your current policy carries an option for limits up to \$1 million. You may be pleasantly surprised at the relatively small increase in premium.

### Planning “fore” total coverage

Directors and Officers liability (D&O) insurance is another form of coverage you should consider. In some cases, D&O insures not only the directors and officers, but also key employees, committee members, club managers and tournament directors. For private clubs, this type of liability insurance can protect the facility in the event of an allegation involving illegal discrimination in the selection of new members. Employee discrimination is another area in which a D&O policy could respond, and limits of \$1 million can be found with several insurance carriers.

### Take a tip from a pro

Golf isn’t a simple walk around a beautiful course anymore. There are numerous liability concerns that your facility may need to address. Think misuse of and/or accidents involving golf carts. Imagine stray golf balls coming into contact with huge plate glass windows in a neighboring subdivision. If your current agent doesn’t provide at least an annual audit of your policy, you probably aren’t as familiar with your policy as you should be. Ask questions, cite examples and implement an exposure checklist that you review on a regular basis with your agent. The bottom line is that reducing your risk for a liability claim can be driven by safety measures, awareness of exposures and proper training of your staff, to make them part of the risk prevention team. Think of your agent as a caddy who can help guide you through the process, offering advice on issues such as appropriate limits and available options to your liability policy. A thorough understanding of your current insurance program will aid those discussions with your agent, and it just might prevent you from getting a bad read.