

Medalist Golf Program

Play a Round with Success

by David Berliner

Wisdom at Work. At SilverStone Group these words guide our actions every day. On December 15, 2008, our Medalist Golf Program began an exciting new carrier partnership that embodies the very ideal of Wisdom at Work.

Looks can be deceiving

Many insurance companies claim to offer “a golf program.” However, upon close examination, some of these programs are found to be nothing more than a glorified business owner’s policy with a few added endorsements specific to a golf course. This is **not** a golf program. In fact, many of these “golf programs” are more suitable for retail stores than golf courses. A club or course owner who has purchased this type of coverage may not realize its shortcomings until it’s too late.

R&D + Time = Success

The Medalist Golf Program is one of an elite few in the country and the only Midwest program that specifically addresses the insurance needs of the golf industry. SilverStone Group’s clients know that we first take the time to understand their risks and then provide them with unrivaled service. However, one of our greatest challenges in insuring a golf course or country club has been to locate a carrier who really knows and understands the exposures of the industry as well as we do.

To find such a carrier, SilverStone Group spent the last two years reviewing policy forms and coverages offered by the various insurance carriers who market golf programs. After extensive research, we partnered with a Fortune 500 insurance company with an A.M. Best rating of A+ (superior), and developed our own proprietary “hybrid” policy built on the strengths of our Medalist Golf Program. This new policy provides the coverage and limits necessary to compete favorably in today’s market, helps solidify the Medalist’s position in the industry and presents the club owner with a rock-solid collaboration between agent and carrier.

The real difference

The degree to which you manage your risk determines the profitability of your operation. The Medalist Golf Program’s new “holistic” approach can help focus your efforts. Think about your organization’s current coverage:

- Do you have the coverage needed for pollution exposure (specifically, herbicide/pesticide application)?
- Is your clubhouse or maintenance equipment insured to value in case of a loss?
- Do you have proper tee-to-green limits in regard to your property insurance?

Pricing is always a key component of any coverage program, and the cost of insurance is a huge line item for any course or club as it relates to profitability. The major difference between our Medalist Golf Program and competing programs is found within the premium basis for General Liability coverage. We believe that the true exposure of a golf course or country club should be based on the number of players who visit the facility and play golf on an annual basis. The greater the number of players, the greater the exposure and the higher the likelihood of a claim. Why should two separate courses, offering similar greens fees and other amenities (or initiation fees for private members) pay approximately the same premium if one is significantly busier than the other? The Medalist program uses “the number of rounds played” as the premium base.

Or why should a facility continue to pay the same premium from year to year if the number of players teeing up decreases?



For example, through June 2008, the number of rounds played in a seven-state region of the Midwest was down by a total 10.5%; Iowa (-18.2%), Nebraska (-3.7%) and Missouri (-9.4%) were at or near the top of the list nationally.¹ With financial uncertainty facing our country, the number of players may continue to decrease.

What does this mean for your club? Whether it's a saturated golf market, extended bad weather or some other chance occurrence, the drop in number of rounds can have a drastic effect on your operation. The Medalist program is designed with the flexibility for premium costs to be established based on the number of users coming through your door.

Hands-on service

When was the last time an insurance underwriter visited your club to become familiar with your operation? If you answered "never," you're not alone. That can change with the Medalist program. Because of the exclusive relationship with our new partner, routine visits to your operation will be an essential part of the risk management process. You can't expect an underwriter confined to an office cubicle to understand all there is to know about your facility just by reviewing the application you've filled out for them.

The typical agent knows about insurance, but does he or she know insurance in your specific industry? You should expect a level of knowledge and service that supports the success of

your club—not just an agent or insurance carrier who waits for your call when you suffer a loss. The Medalist program utilizes SilverStone Group's expertise in the golf industry to assure the protection and enhancement of your club's organizational and financial well-being. Whether you are a local, daily-fee facility or an exclusive destination club offering not only golf but other outdoor activities, the Medalist Golf Program can tailor coverage to your specifications.

Making sense of it all

Without a doubt, insuring a golf club is a unique process. Each location can have multiple types of activities and exposures. Golf may be the main draw, but owners must consider the food and beverage operation (particularly liquor liability), retail golf shop operation and environmental exposures. Owners of private clubs must consider all the aforementioned amenities plus tennis, a swimming pool and directors and officers liability, to name just a few—each of which increases the scope of potential risk. Reviewing and determining your coverage doesn't have to be an arduous process if you have the proper program in place.

In "clutch" times on the golf course, you need that dependable wedge or short iron you keep in your bag. When you're doing battle in today's insurance market, you need a trusted advisor, someone whose expertise can navigate through the marketplace. Why associate yourself with an amateur when you can have *The Medalist*?

¹ www.golfdatatech.com, accessed September 2008.