

## Ashley Chinner R.I.B. (Ont.) & Lindsay Donelson

Ashley is the Director of Golf with Signature Risk Partners Inc. and Lindsay is Director of Business Development with FirstOnSite Restoration. Contact Ashley at [achinner@signaturerisk.com](mailto:achinner@signaturerisk.com) | 800-260-9921 and Lindsay at [ldonelson@FirstOnSite.ca](mailto:ldonelson@FirstOnSite.ca) | 1-877-778-6731.



**F**or over 10 years, the Insurance Bureau of Canada (IBC) has been reporting a rise in insurance claims as a result of severe weather events related to climate change. While many continue to debate the effects of climate change and global warming, the reality is that the volatility in weather patterns is on the rise and golf courses need to be prepared.

Winter is the quiet time when many General Managers, Owners and Operators start planning for the upcoming season. It is also the time when you must think about managing the unique risks brought on by the cooler temperatures. To help get the planning process started, we have put together a list of items for you to consider as we enter the winter season.

### ASSET INVENTORY

#### The Clubhouse

Knowing what you own is as important as protecting what you own. Every GM and Owner should insist that each department (F&B, Pro Shop, Greens, etc.) complete an asset inventory.

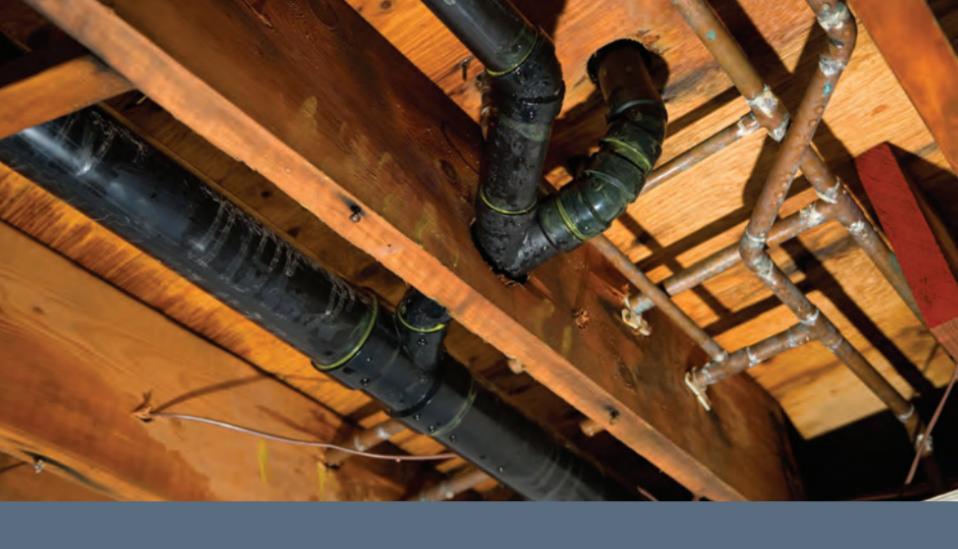
Most insurance policies are written on a "Replacement Cost" basis which means that it is the responsibility of the club to determine how much it would cost to replace existing buildings, machinery, and contents.

For every building there will be a cost associated with replacing the structure and the contents. The contents include obvious items such as furniture (inside and out), equipment and tools, however there are many items that you may not have considered including:

- Art
- Trophies
- Computer equipment
- Stock (Pro Shop, wine cellar, etc.)
- Audio visual equipment (TV's, sound systems and teaching equipment)

# Winter Prep 101

## Protect Your Facility In The Off Season



“Almost 70% of all property damage involves water: broken pipes, natural flooding, and sewer backups or damage after a fire.”

Compiling a complete list of values for your golf course's equipment and treasures is a critical step in the risk management process. Many courses have artwork that may have been donated by a member and never properly valued, or have trophies, cups, and trays that have become increasingly more valuable over time.

Take some time to create an itemized list with good quality photos so that you have a proper and complete record of your facility's prized possessions.

#### Maintenance Buildings

One of the trickiest and most important areas to consider are the maintenance and storage buildings. Many golf courses operate with in excess of \$1 million worth of owned and leased equipment.

This inventory is changing all the time as golf cart fleets are updated and rolling stock is replaced and upgraded. It is extremely important for all parties to know exactly what is stored in the maintenance buildings and every golf course must keep and maintain a current Mobile Equipment List which details, as a minimum, all assets by type, manufacturer, serial number, replacement cost and age.

Armed with a current inventory list your insurance renewal will be a breeze. More importantly, if there should be a loss you will be ready to assist the adjuster and therefore, the claims process should be a relatively quick and straight-forward affair.

#### WATER DAMAGE

Despite your best efforts to winterize irrigation and all water lines at your club, many courses will experience the agony of dealing with frozen pipes this winter.

Almost 70% of all property damage involves water: broken pipes, natural flooding, and sewer backups or damage after a fire. Water can cause extensive damage and pose a serious threat to building structures, interior furnishings & important club belongings.<sup>1</sup>

The resulting damage is expensive to repair and will likely result in an insurance claim leading to higher insurance premiums at renewal.

Preventative work can reduce this exposure and there are a few obvious areas to make note of including: outdoor hose bibs, water sprinkler lines and pipes in unheated areas such as basements, crawl spaces and attics, swimming pool supply lines, and any piping that runs along exterior walls (plastic and copper).

There are many preventative measures that you can take now to avoid dealing with this potential winter nightmare, including:

1. Clubhouse sprinkler systems must be serviced regularly and checked for any trapped water. Lines must have access to heat. Caution: your insurer must be notified if the system is ever shut down for maintenance or repairs.
2. Insulate all pipes in unheated areas such as crawl spaces and attics.
3. Heat tape and thermostatically-controlled cables can prevent freezing.
4. Ensure that all piping vents are insulated and caulked to prevent cold air leaks.
5. Disconnect all outdoor faucets and hoses and shut off these supply valves.

#### GOLF CARTS

Today's high capacity golf cart batteries are extremely susceptible to the cold temperatures of Canadian winters. Many maintenance buildings are not heated or have minimal heat which may not be enough to protect the cart batteries from extreme temperature drops.

A failed battery can ignite a fire which has resulted in a loss of the entire maintenance building at a couple Canadian golf courses in recent years. It is absolutely imperative that carts are properly winterized in Canada.

Properly inspect the entire golf cart fleet to ensure that they are in good working order and winterized in accordance with the manufacturer's recommendations. We cannot stress enough the importance of following manufacturer's guidelines. Fluid levels and batteries must be topped up and stored as directed by the service manual.

Facilities with centrally monitored alarm systems in the main buildings should add temperature monitors to the existing system that will alert the alarm company when temperatures dip unexpectedly or below a set limit. These modules are relatively inexpensive and can be added to maintenance buildings as well.

Performing routine maintenance at the end of the season will ensure that your golf cart operates perfectly when you bring it out in the spring. If you use your cart year round, regularly scheduled maintenance will save you money and extend the life of the cart.

Preparing an electric cart for a winter rest is a little different than preparing a gas cart so again, so be sure to follow the manufacturer's recommendations.

#### VACANT CLUBHOUSE

Many golf courses in Canada are closed for three to five months every year. It is very important for management to undertake regular scheduled inspections of the entire property and its contents during this period. Failure to do so may reduce or eliminate your insurance coverage, so be sure to check your policy limitations and review your coverage with your insurance broker.

The owner/operator must do a proper walk-around and inspect the different buildings and their contents on a weekly basis and it is a good idea to keep a journal of these site visits.

After large snowstorms it is recommended that extra visits are made to ensure that the buildings are able to withstand the increased snow load. If the load is excessive it must be removed as quickly as possible.

It is also very common for courses to shut down portions of the clubhouse during the winter months. This makes sense economically, however management must be sure that all water lines in these areas have been turned off in order to eliminate the risk of frozen pipes which can lead to significant water damage.

Again, centrally monitored alarm systems in the main buildings should include temperature monitors which will alert the alarm company when temperatures dip unexpectedly or below a set limit. These modules are relatively inexpensive and can be added to maintenance buildings as well.

#### PREPARATION IS KEY

Properly preparing your golf course for winter is a very important process that must be completed every year. This is also a great opportunity to review all the outdoor areas of your facility including the high traffic areas such as staircases, entranceways and outdoor patio areas.

Through exercises like a pre-loss inspection, you can be proactive by identifying areas of the clubhouse property that could be more susceptible to winter damage and spring thaw melting.

Once the facility has been properly winterized you can turn your attention to planning for the upcoming golf season in comfort, knowing that you have taken the proper steps to protect your facility in the off season.

Gartner Inc., a US based research firm cites "the average cost of downtime for a midsize company is \$70,000 per hour".<sup>2</sup> Of course every business is different, but using this figure to provide context, it is quickly very clear that the better prepared golf courses are, and the sooner they are able to recover, the better shape (structurally and financially) they will be in.

Proactive risk management is better protection than any insurance that you can buy and it starts with you.

<sup>1</sup>FirstOnSite Restoration, 2015  
<sup>2</sup>Gartner Inc., www.gartner.com

#### Disclosure Statement

This article 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 the specific insurance needs at your golf club.

