

## Skating Rinks & Cross Country Skiing | **Don't Leave Your Clients on Thin Ice**

### Introduction

More and more golf courses are seeking new and creative ways to encourage members and guests to use their facilities throughout the year and we have noticed an increase in skating rinks and cross country ski trails opening up at golf courses in Canada.

The benefit to the club is more traffic through the dining room but this change of use comes with new risks for golf course owners and operators.

### Underwriters Feedback

It is important to remember that when a golf course is originally underwritten it is based on all of the information provided on the new or renewal application form. If this application does not include details about skating or cross country skiing then this will not be taken into account or discussed with the insurers at the time of the original quote.

Without this full disclosure at the time of the quote, there will not be any coverage for these activities when the club opens the rink or cross country trails in the off season.

It is also important to note that different markets have varying opinions on the risks associated with these winter sports. While one market may be open to skating they may not be willing to cover cross country skiing and vice versa.

### The Role of Insurance Brokers

Many golf courses are not aware of the significant change in the risk profile that comes with a skating or cross country ski trail. Typically the decision to pursue these activities is driven by a general manager or owner who is seeking to increase the traffic at the club but often there has been little or no consideration given to the pending change in the risk profile of the club.

It is our goal to avoid a last minute scramble to extend coverage for these planned activities. Insurers may be unwilling to extend coverage for this new use of the club in the current policy and we may be forced, at the last minute, to find a new market which can lead to disappointment.

As a reference point these additions almost always come with an increase in liability premiums which can range from \$2,500 to \$8,000 dollars depending on the planned activities and the size and location of the golf club.

## **Strategies to Avoid Premium Shock**

When you are meeting with new or existing golf course clients please be sure to ask about “non-golf” related activities at the club. This prompting will force owners and operators to share their plans outside of the golf season.

By disclosing this information early we can help you address the complete profile of the club and ensure that the right coverage is tailored to the facility. It also provides us with the opportunity to include any additional premium in the original quote which can smooth the increase in costs and help you avoid any last minute scramble.

## **A Reminder About Underwriting Guidelines**

Signature Risk wishes to continue provide the highest level of coverage to its brokerage community for all current and future golf club clients. In order to do so successfully, we need to reinforce some core underwriting practices which include the disclosure of all activities at the club (off season as well). Please complete the following steps before submitting your application:

1. As a general rule, an up-to-date Statement of Values (SOV) must be signed by the insured and provided to underwriters. The signatory's official position should be included as well as the date at signing.
2. The signed SOV should be provided with the completed application form. Receipt of this information is a subjectivity to binding coverage on a Replacement Cost basis. The signed SOV will form part of the policy.
3. The SOV should represent a detailed breakdown of the current values of the golf club's Building(s) and Building Contents (stock and equipment). Providing total values only is not acceptable.
4. The SOV should include a complete list of an special equipment that is used for “non-golf” activities i.e. cross country trail grooming equipment.
5. Notes must be attached to the new or renewal application form outlining the club's plans for ALL activities at the club outside of golf.

## **Conclusion**

None of the underwriting guidelines outlined above are new or unique to Signature Risk.

Since all guidelines need to be refreshed from time to time, this bulletin has been prepared to reinforce the importance that Signature Risk and its insurers place on current and accurate information.

## **For More Information**

For more information about this bulletin or for any questions regarding any of the Signature Risk commercial insurance programs, please contact:

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

## Disclosure

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