

Employment Practices Liability

This valuable coverage is very important in a down economy

By Rob Bouvier

Now more than ever, golf clubs should be evaluating exposures unique to their facilities and customizing a program that best fits their needs. This is true particularly in a down economy that gives rise to downsizing and outsourcing. These and other actions give way to a measurable rise in EPLI (Employment Practices Liability) claims as golf clubs across the country struggle with ways to operate more efficiently. Customizing a program and putting in loss control and risk management procedures need not be an expensive proposition when you work with a carrier that understands your industry and has the resources to meet the needs of their client. It's important that all the coverage nuances be presented and discussed with the insurance sub-committee and ideally with the full board. This way they have the opportunity to review exposures and coverage options and raise any particular concerns that they may have.



In general, the most common claim against country clubs and golf clubs are the alleged violations of employment practices. Discrimination, hostile work environment, sexual harassment and wrongful termination are leading causes. The claimants are usually associated with the restaurant or bar operations, but claims can arise in any department of a golf facility. Often there can be claims that can include third party exposures like a vendor or guest.

In addition to having proper limits of liability in the event of an award, it is critical that defense costs be part of an insurance policy covering the facility. Keep in mind while there may be no merit to a claim that is brought, defense costs can easily exceed any budget and need to be part of a comprehensive coverage strategy. Ideally some carriers include their defense costs outside the limit of liability, while others include the defense costs within the limit of liability, which diminishes the total

amount available to pay a claim. So if you are presented with a choice between the two, defense costs outside the limit of liability may be well worth the additional premium. If premiums are a concern, one way to lower them is to take on more of the risk through a higher "retention" or "deductible." If this option is selected it is important that the amount of the retention or deductible be properly funded.

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It's not enough to turn the other way and hope something may have been a simple misunderstanding or a one-time event. Ultimately, it is important to create a culture of awareness and understanding of certain behaviors and actions that may lead to a claim in an effort to avoid them in the first place. Quality carriers that offer this coverage can assist you in developing a program specifically for your club.

At Bouvier Beckwith & Lennox, Inc. we can assist you with an evaluation of your insurance exposures and develop a customized program to suit your facility's needs. As the endorsed property and casualty insurance provider through the **PGA Preferred Golf Course Insurance Program** working with **Philadelphia Insurance Companies** as the lead carrier we look forward to working with you. Please feel free to contact us at 1-800-888-GOLF or visit us at www.pgapreferredgolfinsuranceprogram.com. ■

Rob Bouvier is president of Bouvier Beckwith & Lennox, Inc. The foregoing is intended as a summary of exposures for illustration purposes only and is not intended in any way to serve as a specific coverage plan for your facility.

PGA promotes golf's economic impact in New York

PGA of America CEO Joe Steranka (back row, third from left) joins participants from the Central, Metropolitan, Northeastern and Western New York PGA Sections, who gathered March 10, in Albany at the New York State Turfgrass Association's Advocacy Day. The group promoted the New York State Golf Economy report to state agencies and legislators, which outlines the golf industry's impact in New York of \$5.3 billion in 2007, and the supplier of more than 56,000 jobs to the state.

