

# Evaluating Insurance Plans

Consider the advantages a well thought out program brings to the success of a golf course facility purchase

By Ray Irvin

**D**uring the PGA Merchandise Show in Orlando and PGA Fall Expo in Las Vegas, staff from the PGA Preferred Golf Course Insurance Program received a lot of inquiries from PGA Professionals who were considering the purchase of a golf course. They wanted to know where to begin from an insurance perspective. Since then, many of those inquiries have turned into actual purchases of courses and insurance. We would like to share with you what we have learned.



From a purely economic standpoint, it appears that it is a buyer's market for golf courses. We are told that some buyers are paying considerably less than what a course sold for five years ago. While this is unfortunate for the seller, it does give an opportunity to the buyer to see if their business model would work, in this economy, with less debt.

One of the overhead items that should be considered is the cost of property and casualty insurance. One constant in the world of insurance premiums is that past performance is an indicator of future results. For this reason, insurance carriers always request three to five years of claims experience or loss runs when asked to provide a proposal for insurance. We suggest that you should try to obtain these loss runs from the current or past owner's insurance carrier. Absent this information, future losses are harder to predict. When an insurance carrier has difficulty predicting their future losses, they charge a higher premium so they err on the side of caution. If there is significant claims activity under the prior management or ownership, then the premiums for the new owner will be negatively impacted. This experience should be taken into consideration on the purchase offer.

In the process of your due diligence try to obtain

a copy of any previous loss control engineering reports. These can help you identify potential hazards and develop an action plan to reduce your potential for loss. Once a purchase is made, steps can be taken to help evaluate and hopefully improve your loss experience. This is accomplished with a thorough loss control visit from your insurance carrier.

One of the other most common issues we run across in the purchase of a new facility is the experience of the new owner. Have you ever owned or managed a golf course before? Do you have a current resume that speaks to your management experience? It may be critical to your success to maintain a previous manager or superintendent as part of the management team. You should ask those who may stay on to provide biographies that speak to their experience managing the myriad functions of a facility.

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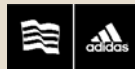
These are some of the issues we have come across and have assisted professionals throughout the country in obtaining great value on their insurance purchasing decisions.

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 of The PGA of America, we offer the PGA Preferred Golf Course Insurance Program with Philadelphia Insurance Companies as the lead carrier. We look forward to working with you. Please contact us at 1-800-888-GOLF (4653) or [www.pgapreferredgolfcourseinsurance.com](http://www.pgapreferredgolfcourseinsurance.com) for a free review of your coverage needs. ■

**Ray Irvin** is director of National Sales 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 or guidance in the purchase of a facility.

## TaylorMade-adidas Golf Renews Golf Retirement Plus Partnerships

The TaylorMade-adidas Golf Company (TMaG), has renewed both its presenting partnership and supporting partnership with Golf Retirement Plus™. TMaG, which is comprised of the TaylorMade, adidas Golf and Ashworth brands, is one of the world's leading producers of golf clubs, balls, footwear and apparel.



"The PGA of America is very proud to have TaylorMade, adidas Golf and Ashworth - three of the strongest brands in

golf - renew a commitment to support our men and women professionals," says PGA President Jim Remy. "From their respective origins, TaylorMade, adidas Golf and Ashworth have not accepted the ordinary, but rather accelerated innovation and at the same time elevated the confidence of PGA Professionals in performing with and in merchandising these wonderful products."

TMaG also supports The PGA of America by serving as a Title Sponsor for the

TaylorMade-adidas Golf Assistant Professional of the Year Award.

"It's our pleasure and honor to once again commit to being a presenting partner and supporting partner of Golf Retirement Plus," says Josh Algra, TMaG's director of U.S. sports marketing and global business development. "Of the many ways we lend support to PGA Professionals, this is exceptionally special to us because of the positive impact it will have on the quality of life of these men and women after they retire."