



ROB MULHERN

When it Happens Here

Prepare Your Club with Emergency Planning

Even if your club lies in an area spared by Superstorm Sandy, no doubt you have stopped to think, “What if it happened here?”

The United States has become a veritable quilt of nasty weather events: tornados in the lower Midwest, derechos in the upper Midwest, hurricanes back east, wildfires in the west. Each has left homes destroyed, businesses shuttered and worse.

In the insurance industry, we see evidence of the increasing severity and unpredictability of weather events every day. The impact on property insurance rates and availability for clubs is no longer felt just along the coast, but further inland. Even before Sandy reshaped the New Jersey coastline, risk models used by insurers were expanding to account for changing weather patterns.

As unpredictable as weather can be, you can still manage its impact on your club’s finances and operations. It takes the right mix of emergency planning and response, and the right insurance coverage and partners.

PREPARE FOR THE WORST

Emergency response planning is critical to your ability to respond to a severe weather event. First, conduct a vulnerability analysis, which takes a systemic approach to evaluating all potential threats. Identify types of natural and man-made emergencies and disasters that have affected or could affect your club. Note the construction of buildings, course design and areas of club property most likely to be heavily affected.

Using this analysis, develop a Business Continuity Plan (BCP)...the logistical plan that you and your staff implement during and in the immediate aftermath of a disaster. It will have a list of emergency contacts, crisis procedures and communications, alternate vendors and suppliers and the steps you need to take to recover.

It will have up-to-date information on employees and necessary passwords and codes for technology – everything you need to reopen quickly and safely. Also consider a back-up generator. Losing power for any length of time can result in additional losses, such as food spoilage.

WHEN DISASTER STRIKES

How you respond after a loss is just as important as the planning. If your area was evacuated or deemed unsafe by authorities, wait until they give the green light to re-enter buildings. Meanwhile, contact your insurance carrier to report the loss. Take photos of damage and set aside damaged property for assessment by claims adjustors. Once you know the extent of the damage, contact your utility company to check in about shut-offs and when you can expect service to be restored.

After these crucial steps, review and implement your crisis communications plan, which should be part of your BCP and details how to respond to the media, club members and employees. Through the recovery process, stay up to date on bills and conduct necessary maintenance. You want your club ready to serve guests when damage is repaired and utilities are restored.

CLUB INTERRUPTED - INSURANCE SOLUTIONS

Discuss business interruption coverage with your insurance agent or broker. It covers the loss of income that a business suffers while the property is being repaired. Though many view this as an optional add-on, it is becoming necessary to protect your club against catastrophic losses.

Make sure to address the covered causes of loss in your general policy as well as what triggers the coverage. If no coverage exists for losses caused by wind or flood, then business interruption will not be covered either.

About 25 percent of businesses never reopen after a major disaster, a humbling fact. Don’t wait until your greens are filled with downed trees to begin planning. Get ahead of the storm with a comprehensive emergency plan including policies, procedures, education, implementation and the proper insurance coverage to minimize damage to property and income. **BR**

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