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## TEEING UP FOR PROFITS

*Venture Programs works with retail agents to tailor coverage for golf and country clubs*

By Elisabeth Boone, CPCU

From weekend duffers to skilled amateurs who play with no handicap, golf is an affair of the heart for those who love being on the links. Despite the recession's dampening effect, golf continues to be the sport of choice for millions of Americans.

As with all kinds of leisure activities, golfing has a serious side. Whether the venue is a modest public course, an exclusive private club, or an elegant resort, loss exposures abound, and managing them is no job for amateurs.

Providing knowledge, experience, and access to top carriers in this demanding market segment is Venture Programs, a privately owned program administrator based in West Chester, Pennsylvania. Venture works with retail agents and brokers nationwide to arrange coverage for both individual golf clubs and golf management companies that own multiple clubs in various geographic locations.

Venture Programs offers insurance and risk management solutions to select vertical industries. In addition to golf courses and golf management companies, Venture also has programs for resorts, hotels, hunting and fishing lodges, coastal and high-hazard properties, marinas, technology and biotechnology companies, and financial services errors and omissions.

Venture's National Accounts unit focuses on golf management companies, destination resorts, community and resort properties, and other hospitality-related accounts that generate large premiums, present complex multi-location exposures, and need alternative risk options as well as risk management services.

Heading up the National Accounts team is Joe Dolce, executive vice president. He joined Venture when it was established in 1993 by Philip J. Harvey, who serves as president. The ties between Dolce and Harvey go back almost 30 years; between 1983 and 1993 Dolce served as casualty underwriting director at a retail agency owned by Harvey.

### Jewel in the crown

The "jewel in the crown" of Venture Programs' offerings is the all-lines Preferred Club Program™, which was launched in 1993 and provides coverage for private and semi-private clubs, upscale daily fee courses, golf destination resorts, and golf management companies.

"Phil and I and others were responsible for the design and development of the program," Dolce says, "and I was responsible for managing the program until Mike DeMarco joined Venture in 2008. At that time we created our National Accounts unit, and I manage the golf management accounts within that unit."

The Preferred Club Program operates under the direction of DeMarco, who also is an executive vice president; he managed the program at Chubb (the program's first carrier) for four years before joining Venture. "We have 10 dedicated underwriters on our team with over 175 years of combined golf underwriting experience," he says. "We insure more than 1,000 private, semi-private, and upscale daily fee clubs, and we're growing."

The Preferred Club package provides coverage for property and general liability; auto and fleet; business interruption; optional pollution liability; management liability including fiduciary liability; liquor liability; blanket AD&D for members, guests, and management personnel; property of members; crime; inland marine; earthquake and flood; and miscellaneous coverages. Workers compensation is available on a



*Venture Programs executives include (from left): Joe Dolce, CPCU, Executive Vice President of National Accounts; Tina Land, Executive Vice President and Chief Operating Officer; Phil Harvey, President; and Mike DeMarco, Executive Vice President of the Preferred Club Program. They are standing in front the Aronimink Golf Club outside Philadelphia, which will host the 2010 AT&T National PGA Tournament in July.*



*Standing, from left: Jannet O'Toole, AU, Program Manager of SuiteLife; Mary Teter, CPCU, Senior Underwriter, Golf Management; and Joe Dolce. Seated is Lisa Grove, Underwriter, National Accounts.*

monoline basis, and umbrella liability can be written with limits to \$50 million and higher. Insureds also can purchase event cancellation, special event liability, and prize indemnity coverage.

Chubb, Hanover, and Zurich write all lines in the package, while Allied World provides package coverage on an excess-surplus basis for properties in select Southeastern states. Workers compensation coverage is placed with The Hartford, Chubb, and Zurich; USLI and RSUI are Venture's markets for directors and officers and employment practices liability insurance.

"With Chubb, Zurich, and Allied World, Venture is the only club insurance provider that has proprietary access to or underwriting authority from more than one carrier rated A or better by A.M. Best," DeMarco says. "Our multi-market access maximizes the chance that we'll have the right fit for a club customer's unique needs."

### Recession's impact

Even the most dedicated amateur golfers have to admit that their hobby is not a necessity but a luxury; and in the wake of the 2008 financial and housing meltdowns, all segments of the golf industry took a hit. Declining membership and cutbacks in the use of club facilities have forced some clubs to close their doors, while others have struggled to survive with reduced revenue.

A general exception, Dolce remarks, is the relatively small group of elite clubs with initiation fees that can reach \$100,000 or more, many of which are "old money" clubs that date back to the 19th century and whose current members are descendants of the founders. Also less likely to be affected by the economic downturn are newer clubs in exclusive venues that cater to a more varied but equally affluent clientele.

Ironically, both DeMarco and Dolce observe, while the recession has dealt a harsh blow to many individual private, semi-private, and public golf facilities, golf management companies are seeing their fortunes rise as troubled clubs seek expert solutions for their problems.

"The economy has actually helped the golf management companies by bringing them more customers," DeMarco comments. "Some clubs are completely outsourcing the management of their facilities to a golf management firm; other clubs may just outsource a portion of their operation, such as the restaurant."

Dolce agrees that golf management companies are seeing increased demand for their services from clubs that face recession-related challenges. These companies, he points out, bring a lot to the table for such clubs, as well as for clubs that seek services for other reasons.

"Golf management companies understand what golfers and club members are looking for in terms of the kind of experience they want to have, whether it's at a public course or a private club," he says. "They also understand the local marketplace, so they know the impact of the fact that, for example, there are five clubs in one county. Golf management companies have the ability to calculate financial metrics and tests on a club so they know how much to charge per round, how much landscaping materials should cost, how much liquor should be sold relative to food, and other key measurements. Basically these companies are specialists in every facet of running a golf course," Dolce says.

"In addition, they bring substantial purchasing power to the clubs they manage," he continues. "If a company manages 50 clubs, obviously they enjoy significant economies of scale when it comes to buying everything from fertilizer, to golf carts, and employee benefits—everything a typical golf course needs. A lot of smaller clubs and municipal facilities don't have the wherewithal to achieve these economies of scale," Dolce points out. "That's why they might hire a golf management company."

Both Dolce and DeMarco mention another reason that a golf club might seek the services of a golf management company: the desire to find a partner for merger or acquisition. Here too, they observe, the recession is a factor; joining forces with another facility may offer a club the best hope of survival, and golf management companies can help a club identify appropriate candidates and move through the process of merger or acquisition.

Golf management companies, Dolce explains, constitute a relatively small but



Standing, from left: Mike Coffey, Northeast Sales Representative; Phil Harvey Jr., Vice President, South Regions; and Rob Mulhern, Vice President of National Accounts. Seated is Jim Shaffer, Executive Vice President of Sales & Marketing.



Girija Trainor, ARM, President of IRISK Solutions, and Mike DeMarco provide the Preferred Club underwriting team with an update on CardioReady certification.

*"Nationwide, there are about 16,000 golf clubs, including private, semi-private, daily fee, and municipal facilities."*

—Joe Dolce

growing segment within the golf industry.

“Nationwide, there are about 16,000 golf clubs, including private, semi-private, daily fee, and municipal facilities,” he says. “Of that 16,000, only about 1,000 are either managed or owned by companies that have multiple courses, so the golf management industry, relative to the number of clubs in the country, isn’t that large.” He notes that Venture Programs insures eight of the top 18 golf management companies in the country through the Preferred Club Program.

### **Risk management with heart**

A key element of Venture’s Preferred Club Program is the delivery of a suite of risk management, loss control, and claims services to insured clubs and golf management companies.

Through a partnership with Chubb Services Corporation that dates back to 1994, Venture helps insureds select, implement, and monitor best practices risk management techniques for addressing the exposures they face. Other key aspects of this initiative are monitoring and analysis of loss control, claims, and managed care services; safety programs and committees and safety manuals; regular claims reviews and audits; and seminars and on-site visits outside of basic services.

At the “heart” of the Preferred Club Program’s commitment to risk management is a partnership with CardioReady™ to facilitate the placement of automated external defibrillators (AEDs) at insured golf and country clubs and to train personnel to become certified in their use. The certification process incorporates the American Heart Association’s AED program recommendations and includes an assessment of the facility as well as the purchase, installation, implementation, training, and maintenance of AEDs. Participating personnel also are taught how to comply with relevant Good Samaritan laws. Through the partnership with CardioReady, Preferred Clubs insureds are entitled to purchase equipment and training at discounted rates.

Venture’s partnership with CardioReady makes good business sense, but there’s more to the story. Several years ago, a good friend of Venture’s president, Phil Harvey, died of sudden cardiac arrest on a golf course, and it took EMS personnel 17 minutes to reach him.

Research shows that golfers are prime heart attack candidates because of their age (many are over 55) and the time of day when they are likely to play (between 6:00 a.m. and 11:00 a.m.). The American Heart Association estimates that more than 325,000 people die each year as a result of sudden cardiac arrest—and the AHA says that the chances of survival increase from less than 5% to more than 70% if an AED is used within three to five minutes of an individual’s collapse.

After his friend died, Harvey came to understand the critical role of speedy response in saving lives in cardiac emergencies, and he began to provide training and certification in emergency heart care for personnel at clubs insured by Venture. The cost of this initiative was about \$3,500 per person, which the Preferred Club Program paid for as a benefit to cash-strapped clubs. Today the CardioReady program is a key feature of Venture’s Preferred Club Program, which gives Venture an edge over competitors while promoting the potentially lifesaving use of AEDs at insured facilities.

### **Support for agents**

Because it distributes the Preferred Club Program exclusively through independent retail agents and brokers, Venture Programs is committed to supporting producers in their efforts to identify and approach suitable prospects and to build a book of profitable business with golf facilities and golf management companies.

Agents and brokers have access to Venture’s online library of Customized Agency Sales Tools (CAST™), where they can download PDFs of marketing materials to which they can add their logo and contact information. Agents also can purchase digital prints to use for meetings or mailings.

“The message we want agents to take away regarding the Preferred Club Program is that we’re more than just an insurance provider,” DeMarco says. “We’re the total package, and we’re always trying to come up with new ways to provide insurance and risk management solutions to our insureds.

"The fact that we continue to look for new markets demonstrates how committed we are to the industry," he comments. "Two years ago, we represented only two carriers for our package. One of those carriers stopped writing business in Florida, and the other was acquired by another insurer. By forming relationships with new markets, we're bringing added stability and capacity to both our insureds and our retail partners."

**For more information:**

**Venture Insurance Programs**

Web site: [www.ventureprograms.com](http://www.ventureprograms.com)

**Preferred Club Program**

Web site: [www.preferredclub.com](http://www.preferredclub.com)

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