

Changing Weather Patterns & Flood Exposure at Golf Courses in Canada

Introduction

Regardless of your position on Global Warming I think we can all agree that weather patterns are changing. Frequency and [severity of weather events](#) in Canada are on the rise and as a result insurers are now using at least one type of Flood Mapping tool when underwriting property risk.

Flood Exposure at Golf Courses

Many golf courses in Canada have considerable exposure to flooding due to their location. For starters, land in and around designated Flood Plains has suited golf courses because the land may not be appropriate for housing and therefore available at a lower cost. Additionally, any existing water features such as lakes, streams and ponds add to the natural beauty of the golf course layout. Unfortunately this also means that golf course grounds are often the first to be flooded during extreme weather events.

Outdated Flood Maps

For a host of reasons, some economic and some political, [government flood maps are typically decades old](#) and as a result many are virtually useless today.

Since most government flood data is outdated insurers are now relying on current flood maps offered by reinsurers or independent flood data companies. As cities have expanded new development often affects water flow and therefore current maps are critical when assessing flood risk.

This new data often means that golf courses previously unaffected by flood may find themselves included on a current flood map.

Underwriting Response

We are now flood mapping all risks at renewal as directed by our insurance carriers. This could mean that flood coverage will be reduced or potentially excluded depending on the exposure at each location.

However, we also recognize that while there may be flood exposure on the golf course grounds this risk may not extend to the clubhouse and storage buildings. Please be assured that we will use elevation data and photographs to work with insurers to include coverage for buildings and contents where possible.

Parametric Flood Coverage

Signature Golf recognizes the importance of flood protection and in light of these new and more restrictive guidelines we have partnered with an advanced weather insurance company to offer an alternative package called Parametric Weather Coverage.

The Parametric Flood package provides insurance coverage triggered solely by rain accumulation over a pre-defined period. There is no deductible and unlike traditional flood coverage there is no requirement to prove damage to insured property.

Please see the [Press Release](#) we issued in July, 2017 which contains more information about this exciting and innovative new program.

A Reminder About Underwriting Guidelines

Signature Golf seeks to provide the highest level of coverage to the golf industry in Canada. In order to do so successfully, we need to reinforce our core underwriting practices and ask that all insurance brokers complete the following steps prior to submitting an application form:

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 included 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 must include 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 all special equipment that is used for "non-golf" activities i.e. cross-country trail grooming equipment, etc.
5. Notes must be attached to New or Renewal Application Forms describing all activities at the club outside of golf. For example these could include, skating, cross-country skiing, spa and fitness centres.

Conclusion

Every golf course in Canada is exposed to changing weather conditions and the increased volatility will make the placement of some coverages a bigger and bigger challenge with each renewal.

At Signature Golf we recognize the difficulty that these new guidelines place on our golf customers which is why we are always seeking alternative solutions. The golf industry is very important to us and we will continue to offer exceptional coverage to golf course owners and operators.

We look forward to working with you at renewal and we would be delighted to provide more information on the exciting Parametric Coverage program if you are interested.

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

For More Information

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

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