

JONES BROWN

PGA of Canada Master Liability Insurance

The liability policy held by the PGA of Canada for its members is "A Core Benefit". All members and candidates for membership (except for non-resident members and candidates for membership) regardless of age or category are covered according to the terms and the limitations of the By-Laws and the master policy.

The policy covers the individual activities, as defined by the PGA of Canada By-Laws, normal or usual to a golf professional and a golf association. There are a number of important limitations and exclusions of which each member should be aware. These are described in the following summary and may be modified from time to time.

Also included with this section is a Liability Certificate. This certificate (or photocopy which you make) will serve as evidence of coverage to any interested party such as: the Board of Directors of your club, bank manager, cart lienholders or lessors, Provincial or Municipal authorities, etc.

Liability Insurance

"What is liability insurance?"

- ❖ Every person (a person can be an individual or a corporation) is responsible for his or her actions. If they are "negligent" in any way and their actions cause injury or damage, they are said to be "liable" to the injured party and must make good the damage or provide restitution. Restitution usually means paying an amount of money determined by mutual agreement, or by the courts if agreement cannot be reached. Since the money can often be for large amounts, it is necessary to purchase protection from an insurance company. This form of coverage is called liability insurance.

"What is covered by the PGA of Canada's master policies?"

- ❖ The master policies cover any of the activities and operations normal to a golf professional. The Liability Certificate details in broad terms the extent of the coverage. So long as your activities conform to what is normally expected of a golf professional, they conform to the PGA of Canada's By-Laws, and the activity(ies) are not excluded, you are covered.

“I have formed a personal company to handle my affairs or operate my pro-shop. Am I still covered?”

- ❖ Yes. Provided the company you formed (or its employees) don't engage in any activities which are not normal or usual to those of golf professional, the coverage still applies. PGA of Canada Professionals (and/or their spouses) must be the two-thirds majority owners of this company.

“What is the limit of coverage?”

- ❖ The PGA of Canada liability insurance is comprised of a Comprehensive General Liability policy and an Excess Liability policy and provides a limit of \$10,000,000 per occurrence.

“If all my usual operations are covered by the policy, what are some of the things which are not covered?”

There are a number of specific golf-related operations/activities which are NOT covered by the master policy, at the direction of the PGA of Canada, they are:

- ❖ Playing in U.S. PGA Tour Events. The PGA tour has liability insurance which every participant is required to purchase;
- ❖ Retail stores not at an approved golf facility (this exclusion does not apply to seasonal retail outlets operated for a period of less than six months). Indoor golf operations not at a recognised and approved facility as defined by the PGA of Canada By-Laws, however, this exclusion does not apply to exhibitions, exhibits, or promotional events (operated for less than six months) or facilities that are intended primarily as teaching academies and golf schools;
- ❖ Extensive food and beverage operations for which you are responsible (exceeding \$25,000 in annual sales);
- ❖ The holding of a Provincial Liquor Licence;
- ❖ Ownership or operation under contract of any golf courses, indoor driving range, driving range not connected to a regulation golf course, or recreational facility; however, this exclusion does not apply to ownership or operation of any building or equipment which are incidental to the insured's normal pro-shop operation;
- ❖ Nor does this exclusion apply to the incidental supervision of a driving range at a golf club at which the member is engaged as a Golf Professional or the management of a golf facility in which the member has no financial interest and no financial control;
- ❖ Wholesale import, export or distribution representing more than 10 per cent of your gross revenue;
- ❖ Non-residents as per the PGA of Canada classification;
- ❖ Affiliates; other than for liability resulting from teaching, playing, practicing golf or officiating at a golf event, and;
- ❖ Ownership or leasing of Power Carts.

"I have one or more of the above types of operations. What do I do now?"

- ❖ If you have operations not covered by the PGA of Canada's master policies, you must arrange and pay for a separate policy. You can obtain this by contacting your own broker or us, the PGA of Canada's brokers (Jones Brown Inc.) who have experience of dealing with any special cases.

"I am still confused. How can I get additional information?"

- ❖ An excellent text of sports liability in general is *Sports and Recreation Liability and You* by Brian W. Robertson and Brenda J. Robertson. Published by Self Counsel Press, this book is out of print but is available in many book stores across Canada.