

PolicyTrack Range Management for Administrators

Risk Management and Insurance Issues

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How many of you woke up this morning and got dressed all by yourselves? You wake up, you get dressed and come down for breakfast, and your wife says, "What were you thinking? You don't wear blue socks with black slacks." As long as I've covered the important parts, I figure I've done my job, but women seem to be much more fashion aware than men.

As range officers, we need to become more risk aware. Risk management is nothing new, it's been around for many years. There are simple steps, and you've probably heard similar plans for other problem-solving methods.

Step one is identification. You need to figure out what you have, what you could lose and why you could get sued. It's very simple; take stock of what your operation does and what they have. Look at the various exposures to loss, and ask yourself if they are significant. Your buildings, for example, would cost a lot to replace, so they certainly are significant.

Can you protect yourselves? Sure. Make sure that the building is of the best quality construction and keep it well maintained. Make sure that it has adequate portable fire extinguishers. Even then, you can't guard against hurricanes, tornadoes or serious fires, so you make a conscious decision not to carry that risk. Make someone else responsible. In most cases, an insurance company takes that risk on. They are happy to do that for a price. The same thing applies to range liability. If it weren't for liability insurance, most ranges would cease to operate because they couldn't afford an uninsured liability claim.

Evaluate what measures could be taken to minimize or eliminate risks. Do this intelligently—put them all up on the board and evaluate which measures make sense. Fire alarms and portable fire extinguishers, for example, are reasonable and affordable. Then implement those measures. On an annual basis, you need to monitor the effectiveness of your game plan for both property and liability. Every year you're going to go back to step one, if you're running your range properly. Look again at your exposures to loss. Has anything changed? Have you added new equipment or a new shooting venue?

It's also important that you read your insurance policy. Sit down with your agent and know exactly what you're getting. One of the most overlooked areas of insurance is directors' and officers' liability. Like it or not, when you agree to sit on a board of directors for an organization, you could be subjecting your personal assets to risk. Some states have laws to provide a safeguard against this, but if the complaint is filed in a federal court, your state laws are moot. Directors' and officers' liability policies will cover you, and they are relatively inexpensive. They will also cover your defense costs should you go to trial. It's well worth the minimal cost.

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You may also want to look into environmental impairment liability insurance. It's been around for many years. When it first came out, it was extremely expensive. Insurance companies wouldn't touch you with a 10-foot pole unless you paid for the environmental risk assessment, which could amount to \$5,000 to \$10,000. Once they were sure that you were squeaky clean, they'd write a policy for you.

Most of us are not very aware of the exposures that our clubs and ranges face. We're aware of the obvious range protection to prevent accidental shootings. Consequently, shooting ranges in the United States are one of the safest places because we take great care to make sure they're set up properly from a firearm safety standpoint. We get caught, however, on little things, the slips and falls. Sporting clays courses or 3-D archery courses typically are meandering paths through wooded areas. Invariably, someone will trip, fall and hurt themselves, and they expect you to take care of it. If your club doesn't have a waiver of segregation along with your waiver of liability, you're responsible. So go over your course, and look at it from the standpoint of how people can get hurt. Start right at the gate. Parking lots are perfect places for slips and falls, especially in colder climates with ice and snow.

You also are responsible for known natural hazards which you chose not to manage. Perfect case in point: A country club in the Detroit area opted one year to forgo pest control spraying for bees on their property. One of their members happened to be highly allergic to bee stings. He was stung on their property, and he died. There was a huge lawsuit in favor of his widow. The same thing goes for snakes. You're responsible for almost everything. The ruling on liability has to do negligence, or failing to do what a prudent man would do.

We deal with a lot of weather concerns in Michigan, such as sudden thunder and lightning showers. We bought a marine quality airhorn and posted our emergency evacuation procedure. In the event of life-threatening weather, the airhorn blows three times and folks are to stop shooting immediately and return to the clubhouse. This minimizes our risk and we owe our patrons that duty of care.

If you're a retail gun manufacturer, it goes without saying that you need your own insurance package, but you also need to get at least certificates of insurance from manufacturers supplying you with product. You want to know that they've got product liability insurance on those products. If you've got enough clout with that manufacturer, you're going to insist that you be named as an additional insured under their liability policies so their policy is going to protect you first. Your policy is going to stand all by itself and protect you if for some reason their limits are inadequate.

The insurance industry, in many cases, is running from the firearms industry right now. I read an editorial titled, "Gun manufacturers are under fire. Are insurers next?" They are scared to death of firearms product liability suits. Some of these lawsuits also are being structured under negligent marketing and distribution. If you're already with an association program, that's your best bet. There is safety in numbers. If you're a big shop or a big club buying your own insurance, you could very well be paying an additional 30 percent this year on your renewal. You need to be forewarned about that and consider your options.