

Preventing \$1 Million-Plus Losses at Your Camp or Club

A study of Markel claims data for camps and clubs from 2000 to the present reveals that many large claims—those over \$1 million—fall into three major categories:

- **Fire:** Markel had five large losses during this period, which ranged from \$1.2 million to \$2.4 million. Four of these were due to the forest fires in the western United States, and one resulted from electrical short circuits.
- **Aquatics:** Three youths drowned and one youth was involved in a boating accident that amputated his leg.
- **Sexual abuse:** One child sexual abuse claim involved six boys. There was also a costly loss that occurred when an outside basketball goalpost rusted through its base and was pulled over by a youth, who became paralyzed as a result.

In two of these cases, the out-of-court settlements exceeded the insurance policy limits by over \$2 million. What lessons can we learn from these crises?

- **Fire:** More extreme weather patterns indicate a need to reexamine facilities and property for ways to reduce fire damage. More innovative fire-protection strategies (such as external sprinkler systems on major building roofs and better forest management) are some options to consider.
- **Aquatics:** In all of these losses, management of the aquatics staff by a knowledgeable and skilled person was lacking. The boating injury illustrates a need to better train boat drivers and to use a spotter.
- **Sexual abuse:** Proper supervision is essential to helping prevent instances of sexual abuse. Never allow one adult to be alone with one child in an isolated area, and closely supervise children at all times. Be sure to conduct a thorough background check on all staff and volunteers. Markel offers discounted background checks to our club and camp customers.
- **Other losses:** Equipment and facility defects, particularly of man-made items like buildings and sidewalks, often result in extraordinarily high awards. Frequently inspect your facility for hazards, both inside and outside, and repair them immediately or remove/isolate them.

Consider conducting a thorough risk assessment of your program annually, and enhance your existing training, safety, and operational procedures accordingly. It's also a good idea to meet with your insurance agent annually to determine if you are adequately covered. Over the years camps and clubs change, and your insurance needs change too.

If you have a safety or risk management question or a suggestion for a topic, please contact Markel's Risk Management Department at safety1st@markelcorp.com.