

## Is Your Golf Cart Properly Insured?

People are increasingly using golf carts for more than just golf. Many homeowners use them around their properties or even to travel to neighboring properties. For example, a couple may own a vacation home in a gated community located in a rural waterfront area. They have a golf cart that they use on the roads within the community to shuttle between their neighbors' homes. The cart may suffer damage in some way or even be destroyed in a collision or fire. Also, it may injure another person or damage someone's property; for example, it could roll over a person's foot if the user has not parked it correctly. If something like this occurs, the cart's owners need to have proper and adequate insurance.

Most homeowner's insurance policies cover liability for injury or damage caused by use of a golf cart under specific conditions. They cover use of a cart while the user is playing golf on a golf course. They also cover her while using a cart for other leisure activities permitted by the golfing facility, while traveling to or from the golf cart storage area at the course, and while crossing public roads to get from one part of the course to another. Finally, it covers her while the cart is inside a "private residential community" that includes her residence, if the community has authority over the roads and has permitted the use of golf carts on those roads. For example, the gated community may designate certain roadways for golf cart use. If the vacation home is in that community, she has coverage for injury or damage she causes with her golf cart while on those roadways.

The policy will provide coverage for damage to a cart the policyholder owns only if she uses it to service her residence. Most people with golf carts use them for other purposes, so the homeowner's policy offers little protection. However, a policy change (called an "endorsement") can supplement it. The Owned Motorized Golf Cart - Physical Loss Coverage endorsement covers golf carts designed to carry four passengers or less and not designed or modified to go faster than 25 M.P.H. on level ground. It covers damage resulting from a wide variety of causes, including fire, theft, vandalism, and others; collision coverage is available as an option. The insurance company will pay for the cost (above the deductible) of repairing the cart or the cost of replacing it minus depreciation.

Another alternative is to ask for coverage to be added to an auto insurance policy. The Miscellaneous Type Vehicle Endorsement covers golf carts, and the policyholder can choose to cover the vehicle for some or all of the coverages that apply to cars on the policy. This coverage may be much broader than what the endorsement to the homeowner's policy provides. For example, the auto endorsement can provide uninsured motorist coverage and No Fault coverage (if the policy is purchased in a state with a No Fault insurance law). However, not all auto insurance companies offer this; an insurance agent should be able to give advice on which companies will do so. It may be necessary to buy a separate policy for the golf cart if the auto insurance company declines to cover it.

Like any other type of machinery or equipment, a golf cart can offer great convenience, but can also involve the user in an accident. The financial costs of an accident can be significant. A homeowner who owns a golf cart should speak with an insurance agent about getting the insurance protection that makes the most sense for her.