

# Secure Your Timberland: Choose The Right Liability Policy

One of the most challenging and rewarding aspects of timberland ownership is keeping timberland maintained. Maintenance is typically thought of as the hands on, physical labor put into the property. However, it also includes selecting the right liability coverage and ensuring the coverage keeps up with changes to your timberland. When choosing a timberland liability policy, keep the following factors in mind.

- **Insure for the right amount.** Timberland liability insurance is a vital component in protecting the health of timberland. The amount of liability insurance needed is dynamic and dependant on many variables. The value of your total assets, your current financial and business status, lifestyle, and any existing coverage are all relevant. Today, liability judgments can easily exceed your net worth resulting in a significant negative impact to future earnings and generations. Regularly assess your current circumstances and current liability coverage to determine if you have adequate limits in place.

- **Anticipate and prepare for accidents.** One of the most important components of your liability policy is guaranteeing protection in the event an accident occurs on your timberland.

Imagine you've done everything right. You've removed the cable gates, repaired damaged roads and stream crossings, marked property boundaries, filled in old wells, and followed every other risk management recommendation given to you. Yet, on a sunny Saturday afternoon, a few individuals on four wheel all terrain vehicles invite themselves onto your timberland for a trail ride. On a newly constructed woods road, one of the drivers loses control and runs off the road hitting an exposed culvert, ejecting a passenger from the vehicle. The passenger, who is a minor, sustains a life threatening injury. The parents of the injured minor believe you are at fault because you did not adequately mark or cover the exposed culvert. Even though it appears obvious that you are a victim of an involuntary trespass, you find yourself in a liability lawsuit. You have to incur the cost to hire an attorney and defend yourself. Timberland liability coverage can provide the legal defense you need and will cover costs up to the policy limits.

- **Consider buildings and other external structures.** If there are buildings on your property such as a camp house, barn, garage or shed, consider having them insured. Timberland liability policies are designed to insure your liability associated with the timberland ownership. If coverage for the property is desired, you will likely need to seek additional property and general liability coverage designed for rural property.

- **Know the business operations exclusion.** Generally, business operations on your property – timber harvesting or other for hire contracted services – are not covered by timberland liability insurance. As a timberland owner, request proof from any contractor working on your timberland that he or she has named you as an additional insured to their general liability and workers compensation policies. By being named as an additional insured you'll be sure that coverage is in place and that you'll be notified in the event the policy is cancelled.

- **Consider your carrier.** The financial crisis that erupted in the fall of 2008 has created significant uncertainty. Look for a carrier with a strong balance sheet, low risk investment strategy and excellent underwriting. Seek an admitted carrier for greater assurance that they will be there when you need them the most. Admitted carriers are filed with and subject to the laws and regulations in the states where they are admitted. In most business sectors, admitted carriers, when available, are strongly preferred over non-admitted. Investigate benefits provided by an admitted carrier when purchasing timberland liability coverage.

- **Revisit your policy.** A proper periodic review of your insurance coverage will guarantee the policy keeps up with changes in your timberland. It is recommended to review your coverage at least once every three years or after any significant event that might have an affect on the policy, such as acquisition of a new timberland tract or a significant change in your financial situation.

Before you make the commitment of acquiring timberland liability coverage, make sure you are familiar with the policy. Ask the right questions and get the right answers to make sure you have the right coverage in place.

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