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Golf Business & Real Estate

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HOLE-IN-ONE INSURERS SURVIVE GOLF DOWNTURN

The shot didn't fall in March on No. 18 at **Mission Hills** near Palm Springs, Calif. So **National Hole In One** (NHIO) did not have to pay out $1 million in prize money, and got to keep the $400 or so in premium money from the promoters. Such is life for them and other insurers such as **Golf Marketing**, who are to golf companies what other insurers are to motorists and homeowners: peace of mind. But the promotions also lure golfers and create interest in league and tournament play, and they usually are underwritten by major insurers.

Golf Marketing President **Kevin Kolenda** expects to do about 8,000 events in 2005, about half for charities. Like NHIO, he bases his premiums on three variables: length of the hole, number of shots and the amount of prize money. Rule of thumb: For every $5,000 in prize money, premiums will run $1 a shot. He has seen a rise in the number of companies entering the field. (There are at least 20 such companies now, compared with about five in the mid-1980s.)

Golf Marketing pushes itself aggressively over the Internet, and notes that only 60 of the events will carry a $1 million prize. If someone cashes in, they'd have a choice of taking an annuity payout ($50,0000 annually over 20 years) or a lump sum of 80-90% of the total amount.