

# RISK IN MOUNTAIN TOURISM

*Marcin Hyski, The Jerzy Kukuczka Academy of  
Physical Education in Katowice*

## SUMMARY

The subject of the article is the risk associated with the tourist and recreational activity carried out in mountain areas, with particular regard to the winter season. Identification of this risk is the purpose of this paper, while attention has also been focused on issues related to the protection of the effects of this risk using the insurance method. Risk is an inherent attribute of all human activity, especially in the practice of dangerous sports, where accidents, harms and injuries occur. Risk means that the tourist counts with the possibility of a variety of threats that may prevent his or her goals. It is not always possible to protect against such events. In addition, it should be noted that insurance, as a risk management method, does not protect against the direct effects of risk implementation but only allows to cover their financial consequences. Complete elimination of risk is not possible. However, different strategies need to be taken to make the activity in the mountains more secure.

**Keywords:** risk, mountain tourism, tourism insurance

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## INTRODUCTION

Tourism and recreation activities in mountain areas, especially in winter, are inseparable from risk. The risk associated with tourists in the mountains manifests itself in various aspects of tourism activity and can be identified in different risk categories. These risk categories may be universal in terms of tourism and leisure activities in general or may have particular character corresponding with specific nature of mountain tourism. The text also outlines the scope of insurance coverage in mountain tourism.

The aim of the article is to identify the risks associated with tourist and recreational activities in the mountains, especially in winter season. The problem is vital because identifying this risk is an important prerequisite for its reduction and increasing the awareness of tourists in this regard, which translates into enhanced tourist safety.

## THE ESSENCE OF RISK IN ECONOMIC SCIENCES AND INSURANCE THEORY

Economic literature accordingly indicates the universality of risk in everyday life and the inability to its complete elimination. Risk is defined as an indispensable element of economic reality that is dynamic, evolutionary, and objective (Szumski, 1994, 12). In view of the ubiquitous nature of risks in social and economic life, this concept has become the subject of interest and analysis of many scientific disciplines such as mathematics, theory of economics, law, finance, accounting, detailed economics, insurance science and in particular the theory of insurance risk. Although so many science disciplines deal with risk issues, there are two main approaches to addressing the problem in question (Monkiewicz, 2000, 17–18). The first approach is characteristic for economic thought, where risk is perceived as a cause of real events or facts, specific socio-economic phenomena. This approach focuses on risk from the hazards (threats) themselves. With this approach, risk is understood as the specific cause of real events with a character specific to given risk. The occurrence of each of these events proves that we are dealing with a specific risk, and the risk itself is considered as a collection of all the causes treated together. In this approach, the risk is treated not as a condition of the environment, but as a cause-and-effect relationship of related various kinds of causes. The second approach is characteristic for insurance law, where risk is understood as the states of the external world (events), which are the result of various dangers. This approach describes the risk from the opposite point of view, that is not from the cause but from the results. The subject of the study is risk understood as events that result from the occurrence of various types of danger.

The Stanford Encyclopedia of Philosophy gives several different meanings of the concept of risk, referring to an undesirable event that may or may not occur, indicating that the risk is either the event or its cause, or the probability or statistical value of the event. Possibly risk is that the decision is made under conditions of known probability (decision under conditions of risk as opposed to uncertain decision) (Sven Ove Hansson, 2014).

Definitions of the concept of risk are not consistent. Different definitions of this term contain certain repetitive elements. The risk is identified, among others with an undesirable event that can potentially occur and whose impact po-

ses a particular threat to the achievement of the objectives, the functioning and the activities of the entity or the fulfillment of its obligations. Risk in economic thought is often compared with the notion of uncertainty. It points out in this context the objectivity or subjectivism, measurability or lack of it, but also the extent and quality of information available about possible alternatives. The information that is presented as a combination of probability distribution and the magnitude of the potential effects, allow quantification of the risk (Lange, 1967, 204). The special relationship between risk and uncertainty is also highlighted, either in the form of a time sequence or in the context of the proportional relationship between them.

Risk is therefore a broad concept, consisting of various elements. You can distinguish among them danger and hazard as its main factors. Danger and hazard are the risk factors that determine the size and intensity of the risk, and consequently are very useful in the risk analysis for insurance practice. Danger is the cause of the loss. Its characteristic is a specific time sequence. Firstly, there are threats, that is, situations that create the danger (eg glaciation of the ski slope). Secondly, the completion (realization) of the aforementioned danger (eg the fall of the skier) takes place. At the end we have to deal with the effects of its implementation (eg broken leg, damage to the ski equipment). In the insurance theory of risk, the concept of hazard is identified with a complex of all conditions and circumstances directly affecting the act of implementing the danger. Hazard manifests itself more or less intensively in the act of realization of a given danger, and consequently its effects are smaller or larger. Hazard in the insurance risk theory is therefore the factor of risk that determines the size of the damage caused by the risk (Sangowski, 2000). A manifestation of hazard in tourism activity is, for example excessive recklessness or negligence on luggage.

## CATEGORIES AND KINDS OF RISK IN MOUNTAIN TOURISM

Tourism and leisure activities in the mountains are associated with the risk that can be presented in the following major categories:

- financial risk – results in financial loss (eg loss of baggage);
- static risk – occurs independently of time, that is, it can hypothetically appear even if there is no economic, technological and civilization progress (eg losses due to natural elements, natural aging processes and geological environment, avalanche descent);

- dynamic risk – is a derivative of economic, technological and organizational changes; includes the risks created by price changes, consumer tastes, economic crises, fashion, inflation, etc. (eg deterioration of skiing conditions due to overcrowding of the ski resort due to its popularity and current trends in tourist destinations);
- particular risk – creates threats (causes losses) on the scale of individual interests (eg theft of equipment, failure of the ski lift);
- clean risk – causes loss in the event of its materialization or otherwise does not bring any benefit (eg risk of illness and inability to travel);
- speculative risk – involves gaining (profit) or incurring loss (eg weather risk, which is related to the possibility of favorable conditions for mountain tourism, or conditions that prevent such activity);
- probabilistic risk – can be calculated using mathematical methods or based on statistical data (eg incidence of accidents on the road, breaks among skiers, etc.);
- natural risk – created by nature forces (eg risk of snowstorms, avalanches, hurricanes, or other nature-related risks);
- social risk – created by man as an individual or whole society (eg the risk of fire in a hostel connected with the use of electricity by a tourist);
- personal risk – causes damages in personal interests such as life, health, ability to work, etc. (eg accident risk);
- property risk – related to damage to tourist property (eg theft risk, property damage caused by fire);
- statistical risks – results from the complexity of nature and the inability of certain and holistic prediction of future events (eg avalanche descent);
- technogenic risk – related to the operation of gear and technical equipment (eg cable car crash, malfunction of ski bindings);
- anthropogenic risk – determined by human decisions (eg bravura, mindlessness, overreach oneself with forces).

The specific type of risk is related to the place of tourism and recreational activities. Due to the fact that the mountains offer the possibility of practicing specific forms of tourism and recreation, one can talk about mountain risk, that is, it does not occur in the area of lowland formation or eg at sea. This risk is, for example, the descent of an avalanche, the collapse of a mountaineer from a rock wall, etc.

Various forms of tourism and recreational activities in the mountains are associated with the risk of injury, permanent damage to health and loss of life. Health can be threatened: your own (injury) and other tourists (eg collision of

skiers). Among the factors determining the level of risk there are usually subjective (conditioned by the characteristics of the subject) and objective ones (not conditioned by this element). The first are as follows: condition and general health (eg fitness, cold resistance, etc.), technique of practicing a given discipline (eg skier's way of riding), psychological predispositions (resistance, self-control, reflexes, etc.). In the group of objective factors, the following can be indicated: landform (inclination of slope, land break, ground – rocks or grass), snow (a type of snow that facilitates or hinders riding, overhangs, avalanches, snowstorms), frost (frostbite, hypothermia, fatigue), wind (worsening of mood, loss of heat, difficulty in movement), fog (lack of orientation in the field, difficulty in speed estimation), sun (heat stroke, eye damage, change in snow conditions), specialized equipment (ski lifts and their failures), other tourists' activities (collisions, precipitating the overhang snow).

## INSURANCE COVERAGE IN MOUNTAIN TOURISM

Voluntary insurance, contracted in connection with tourist traffic and recreational activity in the mountains, include, among others: accident and medical expenses insurance, insurance of personal belongings and traveler's luggage, insurance of withdrawal costs, legal aid insurance, assistance insurance, liability insurance.

In the event of an accident resulting in permanent injury to the health or death of the policyholder, accident and medical expenses insurance covers payment of compensation in the agreed sum specified in the contract. It is not a compensation in the strict sense, because it does not reflect the value of the damage (impossible to establish with regard to personal rights such as life and health), but rather the contractual sum, which depends on the degree of harm to health as determined by the medical certificate and the content of the contract.

In respect of medical expenses, such an insurance includes reimbursement of costs incurred for examination and medical treatment, purchase of medications and dressings, transport of the insured tourist to the hospital and stay in hospital and transport to the country. In case of death the insurance covers the cost of bringing the corpse to the country, the purchase of a coffin abroad, the cost of the visit of a person indicated in the insurance policy. Such insurance can be flexibly extended to such services as: costs of birth abroad, costs of dental treatment and sudden inflammation, additional food and accommodation expenses for convalescence, accommodation for accompanying persons during

treatment and convalescence, and finally the possibility of continuing travel after obtaining the necessary medical assistance. In this type of insurance, the insurer's liability for the treatment of chronic diseases, mental illnesses, beauty treatments and many other non-health services is usually excluded. In special cases, the insurer can extend the scope of insurance if, for example, he specializes in organizing trips for chronically ill people.

Insurance of personal belongings and traveler's luggage is to enable the policyholder to continue traveling in the event of loss of personal belongings necessary for the duration of the journey. The insurer is responsible for loss or decrease of the value of the insured items because of their disappearance, destruction or damage. The policyholder is obliged to give due care in the possession of property – he can not leave it unattended in a place not intended for it, should close the room available to him and demand a receipt when depositing things for storage or transport. Proceedings in the event of loss of personal belongings, depending on the circumstances of the event, include the police notification about theft, burglary, robbery or missing items as a result of a disaster or rescue action (eg fire extinguishing) and obtain a written confirmation of the application, detailing the lost things. If the item has been lost at the hotel or the means of transport, you must notify the hotel or carrier and obtain the appropriate confirmation. The damage should be reported immediately to the insurer upon return. It is sometimes possible to apply for an advance payment to purchase the items you need on the go.

Insurance of the cancellation fee (compensation) is related to the common practice of prepay for tourist events, charged by event organizers, justified both by the security of the durability of the contract and the need for the organizer to spend a number of expenses to prepare the trip. A customer who waives the contract for reasons for which the event organizer is not responsible should pay the organizer, even sometimes, the whole price of the event. Absence is often caused by the client's illness, the special needs of the workplace that cancel his leave or other events that the client has no influence on. In such situations, the insurer, in return for the premium collected at the signing of the contract, undertakes to pay a compensation in the amount required by the travel agency. Law on tourist services (1997) requires, among other things, informing clients about the possibility of purchasing such insurance. It is the responsibility of the policyholder to promptly notify the event organizer and the insurer about the withdrawal from the contract and give evidence about objective reasons for this withdrawal that are not due to carelessness of a policyholder.

Legal aid insurance rarely occurs on its own – more often in a package with other insurance. This includes the costs of legal aid, including representation and defense in criminal matters, and is particularly useful for those who have entered into a conflict with the law abroad. This insurance essentially complements the legal aid that every citizen enjoys through the operation of Polish consular services. The need for legal aid relates, inter alia, to those who have caused a traffic accident abroad and face criminal responsibility. This coverage is not covered by the liability of the vehicle owner.

Assistance insurance covers the provision of a variety of assistance to people who have difficulty in traveling or while away from home. This insurance is usually combined with others, such as communication insurance, which complements in a convenient way. With this type of insurance, the policyholder may receive assistance to cover the cost of removing the vehicle breakdown, accommodation for the time of repair, delivery of a replacement vehicle or other means of reaching the destination, notifications of others, etc.

Liability insurance covers tourism in many forms, protecting both tour operators, tour guides, pilots and individual service providers (eg hoteliers) as well as tourists themselves. The essence of this insurance is the insurer's take over of obligation to compensate for the damage caused with the behavior of a policyholder. With regard to the tourists in the mountains, insurance primarily concerns the situation in which a tourist causing injury to a third person in sports covered by insurance, for example skiing. Usually, the insurer excludes its liability in case of damage caused by the willful fault of the policyholder.

## CONCLUSIONS

Tourism, regardless of the form of its manifestation, is oriented towards satisfying the specific needs of those who practice it. This goal is realized by functioning in a broadly understood environment based on interactions with its natural and civilizational elements. Mutual relationships and dependences have both a positive and a negative impact on the ability to its practicing, and the intensity and moment of the negative impact of the environment are not always predictable. It is not always possible to protect yourself against these influences.

Risk is an inherent attribute of all human activity, especially in the practice of dangerous sports, where accidents, injuries and damages occur. Among such kind of sports you can find skiing, especially professional downhill skiing,

jumping, ski aerial and ski mountaineering, where the risk combines maximum effort and crossing safety limits to achieve the result. Also skiing and downhill skiing in the recreational edition carry a high risk of injury (bone fractures, knee injuries, spinal injuries, bruises, frostbites, etc.).

Risk means that the tourist counts with the possibility of a variety of threats that may prevent him or his goals. The activity may not produce the intended results, or may result in losses resulting from the occurrence of unfavorable obstacles within its implementation. These threats result not only from the environment in which the activity is practiced, but also from the activities undertaken by the tourist as a subject in civil-legal relations. The risks from the environment is very diverse, just how complex is the environment itself. Other hazards associated with the operation of the natural environment, while others result from the relationship with the social environment.

The analysis of accidents in the mountains allows us to identify some epidemiological facts (ie who gets accidents – gender, age, skills; type of accident – collapse, collision; accident consequences – bone fracture, knee injury, etc.), as well as some indications can minimize the risk involved. Safety factors in the mountains include:

- check the equipment before starting a holiday or a tourist event,
- awareness of your own abilities of given day,
- assessment of own fatigue.

It is impossible to eliminate the risk completely, but it is possible to adopt strategy that will make life a little more secure. Under the rules of risk management, the tourist has the following options:

- avoidance of risk (abandonment of tourist and recreational trips during very poor visibility, refrain from going out in the mountains in an avalanche danger, resignation from tourism and recreation after drinking alcohol, etc.),
- reduction of risk taking (eg skiers by observing the so-called ski code, proper organization of classes by the instructor),
- risk reduction (proper equipment and its maintenance in good condition – eg helmet use, ski edge sharpening, use of avalanche rope, radio transmitter, conditioning for season),
- risk transfer (eg accident insurance – it does not eliminate risks, but only

avoids certain material consequences of existing accidents).

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## KALNŲ TURIZMO RIZIKA

*Marcin Hyski*

### *Santrauka*

Straipsnyje analizuojama kalnų turizmo ir pramogų rizika, ypač padidėjanti žiemos sezonu. Apžvelgiamos priemonės, metodai, kaip būtų galima išvengti, sumažinti kalnų turizmo pavojus. Rizika – nuolatinis žmonių, užsiimančių taip vadinamosiomis pavojingomis sporto šakomis, palydovas. Draudimas nuo nelaimingo atsitikimo, kaip rizikos valdymo metodas, neapsaugo nuo draudžiamųjų įvykių, o tik leidžia padengti finansines išlaidas. Siūloma taikyti įvairias kalnų turizmo rizikas mažinančias strategijas.

**Reikšminiai žodžiai:** kalnų turizmas, kalnų turizmo rizika, draudimas.