

Hotel Insurance



Business in the hotel industry can be precarious. Local events for out-of-towners, currency fluctuations, inclement weather, the health of the economy and the affordability of travel all influence hotel occupancy rates. Despite everything you do, a certain degree of fickleness remains.

You face a challenging, inconsistent industry. Do not crumble in the face of instability—fortify your business operations by purchasing a comprehensive hotel insurance policy. Use the following overview of hotel insurance to make sure your cover is seamless, leaving no holes that expose you, your business or your employees to undue risk.

Standard Covers

The hotel industry is diverse. Hotels can have just a few rooms or they can have hundreds. Accordingly, hotel insurance policies are usually composite, consisting of several core covers and a variety of industry-specific and optional covers. Insurers will typically include the following covers in their core hotel policies:

- **Buildings** insures property such as the hotel, annexes, small outside buildings, walls, gates and fences, and pays rebuilding expenses.
- **Contents** covers items within hotels such as furniture, furnishings, equipment, stock and machinery in the event of loss or damage.
- **Employee protection** pays expenses associated with your employees' death, loss of limb(s), loss of sight, temporary total disablement, and clothing

and personal effects damage resulting from employees' usual work responsibilities.

- **Business interruption** recoups any loss of business income due to damage covered under your contents or buildings cover.
- **Business liability** contains employers' liability (required if you have employees), public liability (insures against liability for third-party injury or damage), products liability (covers costs associated with injury due to faulty products your hotel distributes, such as shampoo) and guests' property liability (including motor vehicles in hotel garages or car parks which are securely locked overnight).
- **Legal expenses** helps pay the costs associated with defending or pursuing certain legal actions such as contract disputes, employment disputes or criminal prosecution defence.

Optional Covers

Core covers may be supplemented with substantial optional covers to accommodate the various members of the hotel industry. Many of these optional covers are specific to the industry. This list is only a small sampling of the available optional covers:

- Cost of obtaining alternative accommodation for guests
- Guests' and customers' personal effects and valuables
- Full theft

Provided by Sirelark Risk Services

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- Loss of attraction
- Environmental liability
- Notifiable disease cover
- Subsidence
- Computer breakdown
- Equipment breakdown
- Employee theft
- Contractors' all risks
- Terrorism

Exclusions

Despite the inclusive nature of hotel insurance policies, there are still exclusions that insurers will generally not cover due to a variety of reasons, including excessive risk. The following is typically excluded:

- Stock shortages
- Computer or data processing equipment operator error
- Computer virus or hacking
- Terrorism (some cover available as an optional extra)
- Theft of goods while in transit unless the vehicle is securely locked
- Theft by the insured or resident manager (or member of their family)

Bespoke is Best

Hotels come in all shapes and sizes; the industry has a tremendous range. A prefabricated, one-size-fits-all hotel policy will inevitably leave gaps in your cover which expose you to risk. A bespoke policy is best to make sure your specific risks are acknowledged and minimised. We can tailor a policy that fits your individual needs. Contact the insurance professionals at Sirelark Risk Services today at 01603 343 053 to assess and reduce the risks associated with running your hotel.