

HOSPITALITY COVER PLUS+

Hospitality Risk Management



SECURITY & VENDOR RISK TRANSFER

Any and all individuals, vendors, contractors, or third party firms performing services on the property must provide a compliant Certificate of Insurance (COI) **before** commencing work. The COI aids in verifying that every vendor has sufficient coverage in force that meets the risk management requirements of ownership and management. Failure to procure necessary COIs leaves property ownership and management financially exposed to claims and lawsuits which may arise from the negligence of uninsured or underinsured service providers.

Any hotel security must be provided by a licensed, insured, third party professional security firm, not hotel employees. Any relationship with a third party security firm should be closely reviewed by the hotel's legal counsel. The Hospitality Cover Plus+ program excludes coverage for security operations. On-site security creates significant liability and financial exposure for both ownership and management. Armed security dramatically increases this exposure. In advance of partnering with a security firm, both the contract and COI must be reviewed with both hotel's counsel and the Hospitality Cover Plus+ Risk Management Team.

"Off Duty" police officers are not exempt from the requirements detailed below. The COI must do the following:

- Show proof of adequate insurance coverage for the contractor as relates the services being provided,

including: General Liability, Workers' Compensation, Automobile, and Umbrella coverage.

- General Liability limit must be at least \$1,000,000
- Umbrella & Excess Liability limits must be at least \$10,000,000
- Reflect an insurance carrier with a financial rating certified by A.M. Best Rating Service as A-, X or stronger
- Reflect insurance coverage currently in force
- Name the property ownership entity, management entities, and all additional entities associated with hotel operations as "Additional Insured" on both the General Liability and Umbrella / Excess Liability policies
- A compliant COI and contract must be received and reviewed each year in advance of the renewal of the contract
- If Additional Insured status is granted on the COI only "where required by written contract" or via an endorsement, this stipulation must be included in the contract before execution or the language should be removed from the COI
- Sole proprietors, without exception, must also carry insurance coverage (including workers' compensation) which meets or exceeds the levels required. While certain states may not require sole proprietors to carry workers' compensation coverage, the risk management requirements for Hospitality Cover Plus+ dictate that coverage be in force.

DID YOU KNOW?

Sidewalk, parking lot, and curb cracks may occur over time due to a variety of circumstances. Any small rises or dips in pavement or sidewalk should be repaired immediately and cordoned off until repairs can be made. In many states, even just a small rise can trigger liability on behalf of a hotel in the event of a guest injury. Any repairs should be completed in short order and the area should be clearly marked until the hazard is resolved.

FROM YOU

- Q: What do I need to document when clearing snow and ice on property?
- A: *For all snow and ice removal activity, keep a log of the date, time, action taken, weather conditions, and parties responsible. If snow and ice removal is handled by a third party contractor, always obtain a copy of its snow removal and salt log as well as a valid, up to date Certificate of Insurance. A signed contract, and Certificate of Insurance reviewed by the Hospitality Cover Plus+ Risk Management Team, should be in place with all third party contractors before any work begins.*

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WINTER MAINTENANCE

Properties around the country continue to experience freezing temperatures and frigid weather. GMs and their teams have a responsibility to maintain safe conditions for employees and guests around the property. During the winter season, as snow falls and ice forms, all walkways, stairways, driveways, interior roadways, and parking lots become safety hazards, for which the hotel can be held liable. It is critical to establish a plan for how you will remove snow and ice and who will do so. Identify when removal will take place as it relates to when snow falls. Make these preparations in advance of inclement weather to minimize any lag time in snow removal, and review these plans regularly with all vendors and members of your team.

A snow removal program should utilize, as a minimum, the guidelines below. Ensure that these plans consider impassable roads, power outages, and the inability of snow removal contractors to access the hotel.

- Identify responsibilities, communication, documentation, strategies, equipment needs, and follow-up procedures in advance.
- Partner with a qualified, properly insured snow removal contractor. Investigate the quality of their work, timeliness of work during a storm, insurance coverage, equipment adequacy, experience, references, and ability to work with your property's specific needs. Provide the Hospitality Cover Plus+ Risk Management Team with a copy of the contract and current Certificate of Insurance for review.
- Plan to routinely clear snow away from hydrants, sprinkler control valves, smoke and heat vents, and other essential equipment.

- Obtain a Certificate of Insurance for any third party contracted to work on the property, including all snow removal contractors, before any work commences. This Certificate of Insurance must name property ownership and management as Additional Insureds and meet the requirements detailed in the Certificate Procurement Program. Sole proprietors, without exception, seeking to provide services on your property must also carry insurance coverage that meets or exceeds the Hospitality Cover Plus+ Risk Management Team requirements. All Certificates of Insurance should be submitted to the Hospitality Cover Plus+ Risk Management Team for review before any work commences.

Failure to procure necessary Certificates of Insurance leaves property ownership and management open to claims and lawsuits that may arise from the negligence of uninsured or underinsured service providers. If you are unsure as to whether a Certificate of Insurance is needed or experience difficulty in obtaining a Certificate of Insurance, please contact the Hospitality Cover Plus+ Risk Management Team for assistance.

Place weather mats at all entrances and exits of the building. These mats should be placed inside and outside to catch snow and water. Regularly inspect mats to make sure that they have not begun to wear or curl. Consider working with a licensed mat replacement company to ensure clean, sturdy mats at all entrances. It is critical to obtain a Certificate of Insurance, naming both ownership and management as Additional Insured, from the mat replacement company.

Securely tie or weigh down supplies and furniture so that gusts of wind do not turn them into projectiles. Ensure the integrity of the building exterior by closing up unnecessary openings. Confirm all windows, doors, and skylights are weather-tight. Install snow fences and marker poles at hydrants and sprinkler control valves. If your property has attic space, make sure that it is fully insulated, heated and ventilation is maintained. Examine the entire heating system, including ancillary components (boilers, piping, burners, and controls) and repair where necessary. Develop a list of phone numbers for emergency response contractors. Report all snow and ice cleanup on a snow removal and salt log as soon as the tasks are completed. Include the time, person or contractor responsible, and conditions of walkways or parking lots at the time.

If possible, do not drive hotel vehicles in inclement weather. Employees driving hotel vehicles present a significant risk for the hotel, and this risk is amplified in inclement weather. All vehicles should be equipped with winter emergency material; such as snow scrapers, blankets, a first aid kit, flashlights, and flares. Vehicles not equipped to drive in snowy or icy conditions should be kept off the roads for the safety of employees, guests, and other drivers. Vehicles and machinery that are not outfitted to be driven in the inclement weather should be stored with no employee access during these conditions. Any employee authorized to drive in inclement weather should be trained in safe, cautious driving techniques and what to do in the event of an accident.

WATER SYSTEM MAINTENANCE

As temperatures drop throughout the season, the largest property claims are frequently leaks or bursts of sprinkler systems, water service pipes, or components. Frozen pipes in these systems occur most often in exposed or out-of-way areas and during slow periods at the property. This may include attics or walls that border the exterior of the building.

The freezing of sprinkler and water systems often occurs in regions not normally associated with colder weather, where systems may not be regularly inspected in advance of cold weather. Many areas of the country continue to experience rapid, dramatic temperature drops. Most frozen pipes result from a failure to provide adequate heat or insulation, as well as cracks, loose siding, exterior holes or gaps, and similar defects in building maintenance.

In advance of any anticipated weather below 40°F, every property should include, at least, the following steps in any inspection process:

- Confirm that all regularly scheduled maintenance has occurred and that any necessary repairs have been fully completed.
- Any piping exposed to the outdoors should be enclosed in heated, insulated, and weathertight materials. Pay close attention to any pipes in attics, crawl spaces, or other confined areas or spaces.
- Confirm that all areas of the building maintain a temperature of at least 50°F to prevent freezing. This includes all rooms or areas containing wet pipe sprinklers, risers, valve closets, sprinkler components, wet standpipes, and fire pumps.
- Consider the installation of low-temperature alarms with central station monitoring and response in remote areas, attics, and confined spaces.
- As needed, provide temporary interior openings to allow in heat from interior areas to the sprinkler system.
- Never use open flames or torches to thaw frozen pipes.
- Do not use electrical heat tape on dry pipe valves as a substitute for permanent heating or insulation.
- Protect fire extinguishers from cold temperatures and make sure they can withstand low temperatures (antifreeze or ABC-labeled extinguishers).
- Lubricate all sprinkler control valves and locks.
- On a daily basis, check any unoccupied rooms for any leaks or pipe breaks.

Dry sprinkler systems are generally installed in areas of buildings where temperatures regularly reach below 40°F. These systems can still freeze due to water collecting in improperly pitched pipes, failure to remove accumulated water from low-point drains, or failure to drain the system properly after an alert valve has been tripped. Dry systems should also be regularly inspected by a licensed sprinkler contractor.

ADDITIONAL RISK MANAGEMENT RESOURCES, INCLUDING YOUR GUIDE TO CLAIMS REPORTING, ADDITIONAL CLAIMS FORMS, PAST AND CURRENT NEWSLETTERS ARE ALWAYS AVAILABLE ONLINE AT:

WWW.HOSPITALITYCOVERPLUS.COM

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