

HOSPITALITY COVER PLUS+



Hospitality Risk Management

FEBRUARY 2021

GUEST INCIDENT DE-ESCALATION

The COVID-19 pandemic has led to a significant uptick in reported incidents of guest altercations, both with other guests and hotel employees. Increased health and security measures, combined with environmental stressors, have resulted in increased occurrences of travel rage and guest confrontations.

This has included a variety of pandemic related situations:

- A guest gets too close to another guest at the Front Desk
- A guest is not wearing his or her mask properly and is asked to do so by another guest or an employee
- An elevator has reached its recommended capacity and a guest insists upon entering
- A child is in the lobby or a common area unmasked
- Housekeeping attempts to conduct a health and wellness check on a room and is denied access by a guest
- A guest is coughing or appears to have a cold and is not wearing a mask
- The pool, fitness room, or other amenities are closed due to health protocols
- Food service, including complimentary breakfasts or happy hours, have been discontinued
- Linen changes are less frequent, or the linens are provided outside of the guest room
- A vendor is not masked when delivering items

Each of these scenarios can lead to a potentially volatile situation between guest, employees, or outside contractors. The Hospitality Cover Plus+ Risk Management Team strongly encourages all employees to practice de-escalation techniques, including:

- Be Empathetic & Nonjudgmental
- Respect Personal Space
- Use Nonthreatening Nonverbal Gestures
- Remain Calm, Rational, & Professional
- Focus on the Guest's Feelings
- Set Limits Through Respectful, Simple Responses
- Allow Flexibility where Appropriate

The Hospitality Cover Plus+ Management Team also recommends viewing a webinar specifically related to the de-escalation of guest incidents related to COVID-19. This is provided in partnership with Sampo International (the new Hospitality Cover Plus+ Master Insurance Program partner), and is led by a retired FBI Special Agent, SWAT Team Member, and hostage negotiator. This webinar can be found at the following link:

[Guest Incident De-escalation Video](#)

DID YOU KNOW?

On average, the most expensive Property Claims, in terms of Total Incurred Dollars, are related to domestic water incidents. This includes frozen pipes, pipe bursts, water backups, contractor error, and guest water incidents.

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 log as well as a valid, up to date Certificate of Insurance. A signed contract, 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 PREPARATION

Many properties around the country have begun to see significant winter weather. GMs and their teams have a responsibility to maintain safe conditions for employees and guests throughout 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 responsible.

It is critical to establish a plan for how you will remove snow and ice and who will do so. Also, identify when removal will take place as relates when snow falls. Make these preparations in advance to minimize any lag time in snow removal and review these plans annually with all vendors and members of your team.

To prevent injuries and minimize insurance costs, GMs should implement a snow removal program using the guidelines below. Ensure that these plans contemplate impassable roads and power outages.

- Identify responsibilities, communication, documentation, strategies, equipment needs, and follow up procedures.
- Explore hiring a 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 in advance of signing 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. This Certificate of Insurance should name property ownership as Additional Insured 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 which meets or exceeds the Hospitality Cover Plus+ Risk Management Team requirements.

Failure to procure necessary Certificates of Insurance leaves the property ownership open to claims and lawsuits which 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, contact the Risk Management Team.

Place weather mats at all entrances and exits to and from 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 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 hotel ownership 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 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, and appoint someone to monitor weather reports. Report all snow and ice cleanup activities 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 lot at the time of snow removal.

Employees driving hotel vehicles present a significant risk for the hotel and this risk is amplified in the winter. All vehicles should be equipped with winter emergency materials; 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 which are not outfitted to be driven in the inclement weather (such as golf carts or maintenance vehicles) 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 PREPARATION

As temperatures drop, the largest property claims are frequently leaks or bursts of sprinkler or water service pipes and components. Frozen pipes in these systems occur most often in exposed or out of the way places and during slow periods at the property. This may include attics or walls which 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 are experiencing 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 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, weather tight materials. Pay close attention to any pipes in attics or other confined 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 installing 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 for thawing frozen pipes.
- Do not use electrical heat tape on dry pipe valves as a substitute for permanent heating or insulation.
- Protect fire extinguishers from the cold and make sure they can withstand low temperatures (antifreeze or ABC labeled extinguishers).
- Lubricate all sprinkler control valves and locks.

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.

QUARTERLY INSURANCE MARKETPLACE UPDATE

Based on the figures from the 4th quarter of 2020, insurers and reinsurers continue to seek double digit premium rate increases in nearly all of the lines of coverage required by the hospitality industry (General Liability, Umbrella / Excess Liability, Automobile, and Property with catastrophic exposure, i.e. wind, hail, flood, and earthquake). While it is too early to tell what the Fall of 2021 will bring in terms of rate structure and coverage availability, we anticipate a level of stabilization related to the roll out of the vaccine, pending tort reform, and the anticipated increase in travel and hotel occupancy. We continue to monitor case law surrounding business interruption claims that were made as a result of pandemic related closures and shelter in place orders that dramatically impacted occupancy rates. Our team will continue to update you accordingly. As you all know, Sompco Global Risk Solutions (GRS) is the insurer for the coverages of our hospitality program, as of November 1, 2020. Sompco's commitment to the hospitality industry, from a coverage and service perspective, makes them an ideal partner for our risk management platform. More to follow on Sompco GRS in a separate communication in the coming weeks.

In any market cycle, especially in a hard market, aggressive risk management at your hotel is the best defense against rising premiums and diminished coverages. Our team will continue to assist you in managing the property and liability exposures at your property, which will significantly reduce claim activity and set you apart from the average hotel. The Hospitality Cover Plus+ Risk Management Team looks forward to continuing to work with you and your team in the implementation and execution of the risk management techniques that continue to make a proven difference.

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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