



Mr. Bolger

Insurance

Adopting a Risk Mindset in Hotel Management

By [Christopher Bolger](#), Senior Risk Manager, Venture Insurance Programs

A good corporate culture of safety and risk management starts at the top and spreads to all staff until it is woven into the fabric of the hotel's daily activities. An effective safety program holds everyone from executives to housekeeping staff accountable for implementation and execution of clearly defined safety procedures. Hotel staff need to be proactively thinking and talking about safety - immediately wiping up spills, reporting pot holes in the parking lot and cutting off bar guests who've had

one too many, among other things. By creating and implementing a top-notch safety program and holding employees accountable to it, hotels can significantly reduce their risk exposure and save millions of dollars in avoidable claims or potential reputational damage.

A Good Safety Culture Requires a Top-Down Approach

Overloaded housekeeping carts, heavy canned foods stored out of reach high atop kitchen shelves and extension cords snaking across ballroom floors all pose serious risks to hotels. Multi-million dollar claims may be easy to come by, but they can also be easily avoidable when hotel staff has a proper risk mindset.

For hotels, much like any business, a safety culture focused on risk mitigation starts with executive management. Not only must hotel executives understand safety initiatives and procedures, they must embrace and support these endeavors in their daily routines. It's essential that hotel employees see that owners and management are supportive of safety initiatives. Though it will take time, employees will then incorporate these measures into their daily activities as well.

Proper risk management is not just important from a safety perspective, but also from a cost perspective. While many executives and employees may see insurance claims as a sunk cost, this is not necessarily the case. Hotel management and employees should understand that these claims do indeed cost the business because a hotel's past claims history is reflected in its premium. In turn, these claims can have a bearing on the overall success of the hotel - which can directly impact staff via performance evaluations, be it the employee or the company.



One way executives might explain to employees the true cost of filing an insurance claim is to relate it to an employee's personal auto insurance policy. Most individuals understand that if they file a claim on their auto insurance policy, it will most likely be reflected in the form of a higher premium in the coming months. The same for workers' compensation claims, the experience of the hotel is compared against an industry standard and if the hotel's claims' rate is higher than the industry standard's, that hotel's future workers' compensation premiums will likely reflect that difference.

Don't Get Soaked - Make Everyone Accountable

One of the more avoidable claims to come across my desk recently involved a hotel guest who apparently did not like to use closets. He hung his garments from the hotel room fire sprinkler on the wall of the room. Needless to say, the sprinkler was triggered and the room

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The Art of the Brand Story

By [Laurence Bernstein](#), Managing Partner, Protean Strategies

Fundamentally, the difference between a "Good Brand" and a "Great Brand" is the ability of the organization, through its products, people and communications to engage on an emotional level. "Good Brands", and most successful brands are good brands, deliver promised services consistently and achieve high satisfaction ratings. "Great Brands" do exactly the same thing, but achieve off-the-charts satisfaction ratings because they have connected at a deeper level. On a more prosaic level, a visit to the marketing and revenue management teams "Good Brand Inc." is an immersion into complaints about OTAs and commodity pricing pressures (discounts); a visit to the same group at "Great Brand Inc." is an eye opening exposure to sustained margins, direct bookings, and eye-watering occupancy figures! [READ MORE](#)



Winning Group Business in the Age of Millennial Event Planners

By [Kevin Fliess](#), Vice President Supplier Network Product Marketing, Cvent

was soaked. Water remediation, cleaning, repairs and renovations brought the total claim to more than \$1 million for damage to a single hotel room. Had a housekeeper reported the clothes hanging there or a sign been posted, the incident might have been avoided.

Unfortunately, however, the story only got worse. Within two days, a guest on another floor proceeded to hang his/her clothing from the room's fire sprinkler - once again setting off the sprinklers. Had the cause of the incident been properly explained (through the language barrier) to the guest or had service staff reported clothes hanging from a sprinkler, the hotel might have avoided one or both claims which combined neared \$2.5 million.

Hotels of all sizes need a safety program in place and, more importantly, hotel management need to make sure staff are held accountable for continued implementation and execution of those policies and procedures. Smaller hotels (that may not have the budget to hire a designated risk control person) can still create a strong safety culture. A security or human resources team member can enforce a safety program. No matter who heads up the program, there are certain elements that are key to a successful program.

A Solid Foundation

A recent article from the Chubb Group of Insurance Companies laid out the fundamentals of an effective safety program. As we've mentioned, employee communication, identifying and controlling risks, and clearly defining a policy and rules of accountability are at the foundation.

Chubb explains that "safety must be managed, measured, and rewarded." In other words, employees should know what their responsibilities are in terms of identifying and reporting hotel risk exposures, management must have a plan in place that can be revisited and measured for effectiveness, and employees who do take measures to remediate or report a safety issue should be rewarded in some way. Employee safety training is not a one-time thing; safety training must be revisited and reevaluated throughout the year with staff. Frequent communication from management regarding safety initiatives is also essential to keeping safety and risk exposures on employees' minds at all times.

Here is a crucial area in which a specialty insurer can really benefit the business. If the hotel is working with an insurer with specialized knowledge of the hotel industry, executives can engage the insurer's loss control or risk control engineer to review their business including property, general liability, auto, valet, workers' compensation, among others. Additionally, these risk control specialists can examine the physical condition of the hotel and its amenities, as well as the hotel's safety program and how it is being implemented. The risk engineers can then offer the hotel tips on how to make the hotel environment safer, as well as how to improve and best implement safety procedures. These loss control engineers are there to strengthen programs that are already in place, or assist in implementing safety and loss control policies and procedures.

Know Your Risks

Hotels face countless risk exposures - some unique to hotels and some that could threaten any business. From natural disasters to liquor liability to slips and falls, hotel management and staff should know these risks and know how to reduce their hotel's exposure to them.

Hotel claims are often related to activities, bed bugs, child care, fitness centers and swimming pools, food handling, liquor liability, seasonal maintenance, security, slips and falls, and workers' compensation. For each of these exposures, hotel staff can take steps to reduce their risk. Here are some examples provided by Chubb:

- **Activities** - Staff should require guest waivers and management should talk to their insurer to make sure additional coverage is not required for specific guest activities.
- **Bed Bugs** - Housekeeping staff should be trained to identify bed bugs and a response plan should be in place.
- **Child Care** - Employees working with children must have proper background checks and training related to injuries, allergies, sanitations etc. Child play areas must be regularly inspected.
- **Exterior Events** - Staff should be familiar with emergency and business interruption plans and be prepared for exterior events when possible, such as large events coming to town, a natural disaster, bomb threat, or riot.
- **Fitness Centers and Swimming Pools** - Staff should ensure pools have lifeguards on duty if possible and have proper water recirculation, cleaning and temperature control systems in place.
- **Food Handling** Hotel food handlers should use gloves for food prep and make sure food is kept at proper temperatures.
- **Liquor Liability** - Hotel and bar employees must be alcohol awareness trained. Staff should know the hotel's policy regarding proper intervention procedures for impaired guests, including: providing a shuttle ride, taxi, or hotel room.
- **Seasonal Maintenance** - In extreme heat and extreme cold, hotel staff should be on alert for ice and snow, pot holes, broken steps, etc.
- **Security** - Hotel staff should be familiar with a front desk panic alarm and understand that key cards should be kept under strict access.
- **Slips and Falls** - All staff, including housekeeping, must be trained to clean up spills



Hotels have spent the last decade trying to come to terms with a changing technology landscape that depended not only their sales and marketing strategies, but their operational processes, too. Now they face an even greater shift - one that will change their sales and marketing culture for years to come - the rise of the Millennial generation, and with that, the emergence of Millennial meeting and event planners. In parallel with a rapid increase in Millennial leisure travelers, this new generation of young adults increasingly comprises the largest age group attending meetings & events, which are very often planned by a Millennial. [READ MORE](#)



Innovation in Marketing to Millennials

By *Dorothy Dowling*, Senior Vice President and Chief Marketing Officer, Best Western Hotels and Resorts

Today's millennial traveler is dominating the way that hospitality marketing professionals showcase their products to the consumer. Many of the changes and innovations being seen in the hospitality industry today feature a distinct focus on the millennial. And it's no wonder - millennials comprise a vast segment of the traveling public and it's expected that they will continue to use their discretionary income on travel experiences in the coming years. Best Western Hotels & Resorts is not unlike others in this regard, and we have implemented several strategies to ensure we are evaluating the evolving needs of millennials. [READ MORE](#)



Going Beyond "Table & Chairs" to Innovation

By *Erich Zuri*, General Manager, Munich Marriott Hotel

In under a decade 50% of all travelers will be between the ages of 44 and 28. Travel for meetings, conferences, and knowledge sharing will undoubtedly play a role. Millennials will also be front and center in planning and hosting business gatherings, and Gen X and Boomers will also continue to be strongly in the mix. This generational mash-up, and the intersecting meteoric rise in technology, poses new and interesting challenges and opportunities for marketing hotels globally. Hotels need to create forward looking, fresh ways to engage with planners -- especially online -- tipping tradition on its head and straddling generations more creatively. [READ MORE](#)



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immediately upon sight. Staff should be trained to look for loose railings, missing nails or pieces of wood that may be out of place, etc.

- Workers' Compensation - Among other things, all staff must be careful to use proper body mechanics to clean the hotel room tubs or make beds, housekeeping carts should not be overloaded, and kitchen items should be stored within reach.

Patience and Persistence Will Pay Off

Developing and adopting an effective safety program and risk mindset will take time, but once a culture of safety in a hotel is established, it is invaluable. Managers can exchange stories, talk about where things went wrong, any trends that may exist, and what can be done to slow or stop that trend.

In summary, management must find a way to encourage hotel staff to think "safety" and be proactive when it comes to minimizing risk. Hotel management can create this safety culture by reviewing their safety procedures with staff regularly, conducting risk training sessions, holding regular safety meetings and by making staff accountable for creating or overlooking identified risk exposures. Reviewing any losses or near misses that have happened at the property provides specific examples of where to address exposures and how to minimize the possibility of another occurrence.

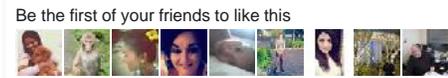
Once hotel executives and management adopt this risk mindset, it will embed itself in employee culture by becoming second nature and greatly improve the success of the hotel on every level.

Senior Risk Manager for Venture Insurance Programs. Mr. Bolger has specialized in hospitality risk management since 2007 and is responsible for improving the risk performance of Venture's hospitality clients by reducing the frequency and severity of claims, analyzing loss reports to identify trends by industry or location, and improving loss ratios in order to improve pricing for the hotel and profitability for the insurer. Overseeing all risk management operations, including the claims adjusting teams, Mr. Bolger ensures proper proactive claim management and loss control procedures are in place with the overall goal of minimizing the overall cost of risk. Mr. Bolger can be contacted at 800-282-6247 ext. 242 or Cbolger@ventureprograms.com [Extended Bio...](#)

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Are you sacrificing long-term profitability for higher short-term rates? A consistent misconception among hoteliers is that pricing for profits means operating at the highest price level within your competitive set. This is as far from the truth as anything. Pricing for profits is an approach which takes into account how well your pricing strategy deals with one of the most common phenomenon in hotel or any form of business - price resistance! By S. Lakshmi Narasimhan, Founder, Ignite Insight LLC.

Arc You Pricing for Profits?, by S. La...

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Let's Talk Hotel CRM & Automating Communications at HITEC!
At Cendyn/ONE we have developed an award-winning CRM platform specifically for hotels and resorts, and believe that true, enterprise Hotel CRM requires three core components:
Enhanced Guest Profiles

Coming Up In The July Online Hotel Business Review

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FEATURE FOCUS

Hotel Spa: Front and Center

The Spa/Wellness movement that exploded a few years back continues to reverberate and expand. Once considered to be an "add on" (which was often relegated to an unused space in the hotel basement), spas are now front and center within the hospitality industry, and hotel management is realizing just how much a luxurious spa can contribute to the bottom line. Room rates are higher. Bar tabs are higher. Food checks are higher. In addition, guests now frequently choose a hotel based on its available spa services, so having a spa within the facility can provide significant financial returns. Plus, guests are using those services in new and novel ways. Some guests are requesting treatments upon arrival (as a way to counter jetlag or to kickstart productivity) and they are often booking their sessions through a hotel app. Some hotels are even offering free massages upon check-in as an inducement to stay. Still other guests are building their entire travel and vacation plans around exotic spa and wellness experiences and of those, thermal hot springs are currently very popular. More and more people are seeking out thermal hot springs as an affordable, social and naturally therapeutic spa experience. Honeymooning couples are seeking out spa packages designed just for them. Couples massages, aromatherapy treatments and nutritious cooking classes make for a romantic and healthy honeymoon they can both enjoy together. Other leading spas are offering stress management courses, classes in meditation and yoga, anti-aging treatments, and spa services designed specifically for men. The July issue of the Hotel Business Review will report on all these trends and developments and examine how hotel spas are integrating them into their operations.