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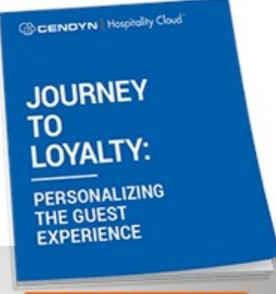
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Mr. Welty

Insurance

Insurance Coverage to Protect Hotels During Celebrity Events

By [John Welty](#), Practice Leader, SUITELIFE, Venture Insurance Programs

"Who are you wearing?" will again be asked up and down the red carpet this year during Hollywood's annual awards season. Big names in the fashion and jewelry world like Gucci, Carolina Herrera, Christian Louboutin, and Cartier are likely to be the answers. This may leave one to wonder - how are these high-value items protected when the celebrities are off the red carpet and back in their hotel rooms? And then, how do non-celebrity hotel guests ensure their higher value items are protected during their vacations and hotel stays?

It's Awards Season, is Your Hotel Covered for Big-Ticket Guest Items?

It's Hollywood awards season, and celebrities are parading down red carpets donning designer dresses, suits and fine jewelry worth thousands to millions of dollars. To attend these sought-after events, many are staying in hotels - with suitcases packed to the gills full of high-value items. Admiring all of this luxury from our humble television screens, those of us in the industry may think of what protections hotels have in place to protect these big-ticket items and whether these protections are being properly utilized.

The subject begs several questions. Is the hotel safe deposit box regularly and properly used? To what extent does a hotel use a commercial policy to cover guest property, such as cash and other high-value property? Do hotels need to consider special coverage floaters for high wealth guests staying with them, or do the high wealth guests need to be informed about obtaining their own special coverage?

The subject brings to mind Kim Kardashian's 2016 Paris hotel theft and what kind of coverage and protections a high-profile celebrity likely traveling with items valued in the hundreds of thousands of dollars (if not more) should have in place for a hotel stay.

In this article, we explore the options hotels have when it comes to insurance for high net worth guests with luxury items, as well as what coverage they should consider to protect their bottom lines.

Innkeepers Legal Liability

When a guest checks into a hotel, he or she has entered into a contract with the hotel. Within this contract, the hotel has a number of obligations. The guest has agreed to stay at the hotel through the payment of a room rate, and the hotel has agreed to provide the guest with certain services and obligations and has in turn, taken on some legal liability.

When staying at a hotel, they expect the hotel operators to provide a safe and secure environment on the hotel property. The hotel is the guests home-away-from home and, as such, the hotel has a greater burden of care than most other businesses have toward their customers. When a guest's valuable property, money, or baggage is damaged, lost or stolen, guests turn to the hotel for relief. Minimum limits for this coverage vary according to individual state statutes and code requirements, but limits are typically \$500 to \$1,500. Broader crime coverage is also available. This particular coverage would likely have been brought into play after the Kardashian incident, assuming her dresses, jewelry and other articles were worth significantly more than the average person's.

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The Hope and Promise of a Second Chance

By [Arte Nathan](#), Human Resources Consultant, Self

It started as a favor: a local politician looking to help a constituent find a job. As Steve Wynn's HR guy, I was responsible for hiring lots of people and told him I had some ideas: try this guy out as a laborer and see how it works out. At the time we had more applications than we needed, but this seemed like the right thing to do. As I learned, good intentions like this need experience to make them successful.

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Selection and Measurement of Hotel Human Resource Metrics

By [Robert M. O'Halloran](#), Professor and Director, School of Hospitality Leadership, East Carolina University

Many states hold innkeepers of hotels, bed and breakfasts, resorts, etc. responsible for any loss of property or damage to property, regardless of whether the innkeeper is negligent. Only if the loss is by the negligence or fraud of the guest, or by an act of God or "public enemy," is the innkeeper not held responsible for the loss or damage. To protect their businesses, these hotel owners and operators should consider innkeeper's legal liability coverage.

Innkeepers legal liability is meant to cover the replacement value of a guest's lost, damaged or stolen luggage and the contents of the luggage. The typical \$500 to \$1,500 state-defined coverage limit does not seem like much when one considers the average cost of a woman's dress, shoes, accessories or a man's suit, shirt, tie and shoes. Articles left in the guest's vehicle are not included in this coverage.

Crime Coverage Option

A second option is to write guest's property through the crime coverage form. The Guest Property Form is broader in coverage, has higher limits available and is governed by the insurance policy not limited by state statutes and codes. This coverage provides two parts including: Guest Property In-Safe Deposit Boxes and Guest Property Inside the Premises.

Many hotel rooms provide a safe or can offer guests access to the hotel's large safe deposit box. But, these safe deposit boxes are not always used to their full potential. Guests do not always consider using the box or realize the value of certain items. For example, guests travel with passports, travelers' checks, and jewelry. While we can put a value on jewelry, filing for and receiving a replacement passport from out of town could take a week or longer and prove quite costly when considering rush fees and adding hotel nights waiting for the reissued passport.

Consider newlyweds staying in the honeymoon suite of the hotel that hosted their wedding reception. The room would likely house the wedding gifts, gift money, the groom's suit, passports and travelers' checks, as well as priceless items like the bride's wedding dress, wedding rings, and family keepsakes. If their room were to be robbed, they could be out thousands of dollars and priceless heirlooms - a rocky way to start a marriage. In a situation like this, guests should be certain to use the room safe and/or hotel safe for their valuables, inquire about coverage limits, and consider applying for additional insurance coverage above what a typical hotel policy would provide.

Helpful to these newlyweds, limits on guest property inside the premises can be increased up to \$25,000 per guest or higher depending on insurance carrier guidelines. While this would be greatly helpful in saving the brief marriage of our newlyweds, it likely wouldn't be enough for the likes of a multi-millionaire celebrity like Kim Kardashian. For cases like this, coverage limits of \$1 million and more are available.

Insurers have recently expanded the definition of guest property coverage to include money, securities and other property belonging to a guest, also beneficial in the case of the newlyweds. This guest property limit is in addition to the limit for guest property housed in safe deposit boxes.

Regardless of the coverage provided, hotel guests should be aware of the hotel's guest property limits and hotel staff should be prepared to share that information accurately. Guests can ask this question when making an initial reservation or by calling the hotel after booking a stay on-line.

Extras

Certain hotels may opt to provide even further coverage to include guest property in their custody, laundry or cleaner care of the hotel. This coverage may be very important to guests considering an extended stay requiring the laundry services of the hotel.

A second enhancement is for the hotel to include coverage for damage from food or liquid. The hotel is obligated to pay damages that arise from destruction of or damage to guest property resulting from spilling, upsetting or leakage of any food or liquid.

For this situation, I can speak from personal experience. Unfortunately, I am familiar with hotel spillage on more than one occasion. In one incident, I was at dinner in a five-star hotel restaurant and our party ordered a desert made tableside. During the process, the waiter stirred an ingredient too quickly and part of the dessert landed on my suit and shirt creating a permanent stain, which, unfortunately, did not match the color of my suit. In the second incident, a waiter tipped a plate beside me allowing the prepared food to land on the table and splatter in a tie-dye pattern on my shirt. Fortunately, in both incidences the hotels were properly insured (as was I) and I received compensation for the damaged articles.

Helpful Tips

Aside from talking to an insurance agent or broker who understands the unique needs of hotels, there are several things hotel owners and operators can do to protect their businesses from large losses. These tips include:

- Know the state hotel laws
- Post notices of the hotel's responsibility for lost or stolen items
- Provide a secure safe (in-room and/or in the hotel)

In a world of assessment and evaluation, the questions are clearly, who, what and how are operations measured for success and what data are needed to make the optimal decisions in a business? There's a business saying "if you can't measure it, you can't manage it"? Real responsive management needs reliable and truthful figures on which decisions can be made (profitablehospitality.com, 2016). [READ MORE](#)



Retaining Great Salespeople

By *Suzanne McIntosh*, President, McIntosh Human Capital Management

Great hotel salespeople are hard to find. Our Sales Leaders and Talent Recruiting Professionals commit time, money and energy recruiting for high performing, passionate and productive salespeople. Our best salespeople consistently drive revenue, inspire confidence and loyalty with our customers, generate new business, increase brand trust and contribute to the company culture. Conversely, turnover is expensive and negatively impacts our property's performance. Successful leaders must cultivate engaging environments and maintain high business standards to retain their salespeople and to create successful teams. [READ MORE](#)



Does a Positive Organizational Culture Contribute to Retention?

By *Cynthia M. Schuler*, Human Resources Professional,

The key to retaining good talent in the hotel industry is in developing and maintaining a positive organizational culture. We all know what it is like to work in an environment with a positive organizational culture. The feeling is infectious and the energy is electric. When employees are happy, they come to work and display an enthusiastic attitude about being a part of something special. In addition, they display loyalty and commitment and produce results. If happiness exists as a result of a positive organizational culture, an employee will likely stay with the hotel as opposed to leaving for an opportunity at another hotel. [READ MORE](#)



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- Use secure locks on doors and windows
- Keep a lost-and-found logbook
- Limit personnel who handle guest property

Finally, hotel employees should always make a good-faith effort at all times with their guests. A bad guest experience, handled well, can turn a negative experience into a net positive.

From the guest's perspective, as a frequent traveler, I have a stand-alone personal inland marine policy in addition to my homeowner's policy. The personal inland marine policy provides coverage for jewelry over a certain dollar amount, fine arts, antiques and other valuable items - whether I'm in my home or traveling with these items.

This insurance provides an excellent safety net. This is my true fallback position if I am traveling with these valuable items. I hope the celebrities filing down the red carpets this season consider this coverage when they are staying at hotels, rather than assuming the hotel will cover the full value of the items. At the same time, I hope hotel owners and operators are on top of their coverage, should a Cartier diamond necklace or Chanel dress go missing.

John Welty is the practice leader for SUITELIFE, an all-lines insurance and risk program for upscale hotels and resort properties administered by Venture Insurance Programs. Venture is a national program administrator for select industries, including the hotel, hotel resort, hotel management and luxury boutiques industries. At Venture, Mr. Welty is responsible for managing SUITELIFE's underwriting team and maintaining the company's top-tier carrier relationships. He is responsible for pro-actively and strategically managing the retention and growth of the SUITELIFE through disciplined underwriting, managing program profitability, and program expansion and development. Mr. Welty has worked in the insurance industry for more than 30 years, specializing in commercial risks. Mr. Welty can be contacted at 800-282-6247 ext. 276 or JWelty@ventureprograms.com. Please visit <http://ventureprograms.com> for more information. ***Extended Bio...***

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HB Hotel Business Review
February 1

According to research in 2016, 51.8% of travelers who booked trips via digital means will do so using a mobile device. That's up from 43.8% in 2015. EyeForTravel surveyed over 164 travel industry experts with a focus on data, online marketing, mobile, digital strategies and eCommerce to see what they thought was reinventing the market and came up with a very informative infographic which outlines growth areas in 2017 and 2018. It shows where the travel industry is investing in terms of technology, mobile, online marketing and social media. Click on the link below to download the infographic...

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HB Hotel Business Review
January 24

Can you picture yourself managing a boutique hotel in New York City? Planning large fundraising events for a nonprofit organization? Developing a creative marketing campaign for a tourism board? Or maybe helping multinational companies like

Coming Up In The April Online Hotel Business Review



FEATURE FOCUS
Guest Service: The Personalized Experience

In the not-too-distant future, when guests arrive at a hotel, they will check themselves in using a kiosk in the lobby, by-passing a stop at the front desk. When they call room service to order food, it will be from a hotel mobile tablet, practically eliminating any contact with friendly service people. Though these inevitable developments will likely result in delivered to their door by a robot. When they visit a restaurant, their orders will be placed and the bill will be paid some staff reduction, there is a silver lining – all the remaining hotel staff can be laser-focused on providing guests with the best possible service available. And for most guests, that means being the beneficiary of a personalized experience from the hotel. According to a recent Yahoo survey, 78 percent of hotel guests expressed a desire for some kind of personalization. They are seeking services that not only make them feel welcomed, but valued, and cause them to feel good about themselves. Hotels must strive to establish an emotional bond with their guests, the kind of bond that creates guest loyalty and brings them back time and again. But providing personalized service is more than knowing your guests by name. It's leaving a bottle of wine in the room of a couple celebrating their anniversary, or knowing which guest enjoys having a fresh cup of coffee brought to their room as part of a wake-up call. It's the small, thoughtful, personal gestures that matter most and produce the greatest effect. The April issue of the Hotel Business Review will document what some leading hotels are doing to cultivate and manage guest satisfaction in their operations.