

HOTEL REVENUE PERSPECTIVES
Quick Hits for Strategic Revenue Insights

[DOWNLOAD EBOOK](#)

IDEAS
A SAS COMPANY

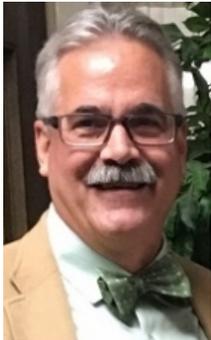
Get your free copy

[SUBSCRIBE NOW](#)

HOTEL HOTELIER LAUSANNE

MBA IN HOSPITALITY
80% ONLINE
20% OFF-SITE

[LEARN MORE](#)



Mr. Welty

Insurance

New Hotel Luxury Car Experiences

Are You Covered for a Porsche or Pinto?

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

The opportunity to drive their dream car is on the bucket list of many. That goal can be checked off fairly easily these days as luxury car driver experiences are available through a variety of venues, including hotels and resorts. Dreamers no longer have to shell out hundreds of thousands to drive a Lamborghini; they can reserve a luxury suite at certain high-end hotels and enjoy the privilege of driving one for a few hours.

Of course, for hotels and resorts offering this luxury service, new risks come with the experiences. In this article, we discuss what hotel and resort owners participating in these luxury driver experiences can do to make sure they have taken the proper steps to protect their guests, employees and their bottom lines.

Who could forget the scene in the classic comedy Ferris Bueller's Day Off where the parking garage attendant takes off for a joy ride in Cameron's father's red Ferrari? It seems wrong, but it's hard to blame him. Who doesn't want to get behind the wheel of a luxury car and paint the town as well?

Among its many other high-end amenities designed to pamper guests, luxury car experiences are now on the menu at the revered Waldorf-Astoria. Hotel guests can do just that - take their dream cars for a spin. Exotic cars like Ferraris, Lamborghinis, and McLarens are available to guests with valid driver's licenses who are willing to open their wallets.

Without a doubt, this trend will take off and it won't just be the Waldorf offering this experience. Already, many four- and five-star hotels and resorts have arrangements with luxury auto manufacturers, wherein they highlight and promote the brands' featured vehicles. This typically includes the availability of a fleet of luxury vehicles for use by special guests of the hotel.

SBA 7(a) loan to buy or improve a hotel?

Terms available up to 25 years.

Northeast BANK Member FDIC

[Learn More](#)

While this is an appealing perk for many, what happens in the event of an accident? The nature of these cars and driving experiences beg us to consider the risks of potentially deadly accidents and damage to cars that cost hundreds of thousands of dollars. Hotels and guests should consider their insurance policies and coverage limits before signing on to drive one of these vehicles. Does a guest have enough coverage for a luxury vehicle or just enough to cover their family sedans? What does the hotel's commercial auto policy say?

In this article, we will discuss this new trend among hotels and how they can protect themselves and their guests from related insurance claims that could easily speed out of control.

CENDYN

Investing in a hotel CRM?
You need to ask the right questions.

[DOWNLOAD REPORT](#)

Receive our daily newsletter with the latest breaking news and hotel management best practices.

[SIGN UP](#)

HBR Hotel Business Review on Facebook

[Like](#) 10K people like this. Be the first of your friends.

RESOURCE CENTER - SEARCH ARCHIVES

Select a topic...

Select an author...

General Search: [Search](#)

HBR **Feature Focus**

Discussions on Emerging Growth Markets

JUNE: Sales & Marketing: Who Owns the Guest?



Making an Impression with Website Merchandising

By [Allyson Fredeen](#), Communications Manager, Ritz Carlton - Denver

Upon graduating from Colorado State University's department of Design & Merchandising in 2004, I had no idea that my undergrad learnings would come into play during my hospitality career, over a decade later. Nor did I realize I would depart from the fashion/retail industry for the hotel business. I will always remember one of my professor's lectures on what merchandising really is: having the right product, at the right time, in the right place. It sounds quite simple, but putting this philosophy into action is more complex. [READ MORE](#)



Why the Personal Touch in Hospitality Must Not be Lost

By [Amber Fox](#), National Director of Sales, Signature Worldwide

The VIP Experience

Typically, the offer to use a luxury vehicle by a hotel or resort is extended to a guest booking a special suite, a stay of a minimum period of time, or attending a special event limited to VIP guests. However, before they offer this luxury experience to their guests, hotels have to be sure they have done their homework. In fact, hotels should employ certain risk management techniques when considering the implementation of a luxury car driving experience for their guests.

In every case, guests should be required to make an advanced reservation of the luxury vehicle, and they should be reminded that fulfillment of that request is based on availability. This allows the hotel to prepare the guest with instructions regarding the use of the vehicle.

The instructions to guests should include a statement requiring them to have a valid U.S. driver's license, proof of insurance, a waiver of liability and indemnity agreement transferring the risk from the hotel to the guest.

Foreign nationals who wish to partake in this driving experience, should be asked to present a valid driver's license from their home countries. Some states will also require these individuals to present an International Driving Permit, which allows the holder to drive a private motor vehicle in any country that recognizes IDPs. To be valid, the IDP must be accompanied by a valid driving license. Individual state motor vehicle departments can confirm which states require IDPs.

Transferring the Risk

Transferring the risk from the hotel to the driver - the guest - is key to protecting the hotel from costly expenses and liability should an accident occur with the guest behind the wheel. The first step in transferring that risk is to request proof of insurance from the guest. Normally, it is presented in the form of an automobile identification card (Auto ID Card), which provides key information including the insurance company name, insurance company number, policy number, effective date, expiration date, and name of the insured.

Without requiring proof of insurance and a signed agreement/waiver from the guest, the consequences of any accident will essentially fall back on the hotel, which would be considered the owner of the vehicle. In the absence of a contract or agreement with the guest, the opportunity for the hotel's insurance company to recover damages from the guest's auto policy is significantly limited, if not gone.

On that same note, hotel guests planning to participate in a luxury car experience should check their personal auto insurance policies before participating in the program to make sure they have enough coverage in the event of an accident for a car valued at well over six figures. It may be necessary to secure an excess or umbrella policy to ensure adequate coverage.

Several key points should be addressed in the waiver and indemnification, including:

- A minimum age requirement of the driver. Age 21 is recommended.
- A requirement that the guest use the safety restraint system and operate the vehicle in a reasonable and legal manner.
- A requirement that the driver has no physical or mental impairment that would limit or restrict the driving experience.
- A requirement to see a valid driver's license and proof of insurance.
- A requirement that the guest assume fully the risk of bodily injury, property damage or death while operating the vehicle. This includes all claims caused or suffered while operating the vehicle.
- Full indemnification, defense and a hold harmless agreement in favor of the hotel.
- The waiver and indemnification are state specific and require drafting and review by legal counsel.

Start Your Engines

Just before allowing the guest to operate the vehicle we suggest accompanying the guest for a walk around the car to note any prior damage. This is also a good opportunity to instruct the guest on any unique operating features of the vehicle, as well as what to do in the event of an accident or emergency. Offering guidance on any local road rules or regulations may also be appreciated. Finally, confirm the return policy with the guest.

Upon return, examine the vehicle for any noticeable damage with the guest. Most of the driving experience programs offered by hotels require that email addresses and contact information of the guest be provided to the auto manufacturer. Share with the guest that their participation in the driver experience program often allows the manufacturer to place the guest on a mailing list and potentially contact them with a survey or questionnaire.

Finally, it is imperative that the schedule of vehicles be provided to and added to the hotel or resort's current auto policy. Full disclosure to your agent, broker, and insurance carrier as to the use of the vehicles is critical. This allows them to structure the proper coverages needed to protect the hotel in the event of an accident-critical when expensive, exotic cars are in the

Not too long ago, I was researching for a presentation that I needed to deliver during an annual conference for a major hotel brand. The topic was networking and this brand had seen a drop in personal interactive skills of staff at all levels. People in all roles – front desk, sales, even managers and owners - were losing their ability to connect with others due to their reliance on electronic tools. Being in the world of hospitality, where a premium should be placed on service and relationships, this void was seen as critical. [READ MORE](#)



New Technologies to Improve Relationships and Bottom Lines

By *Toni Portmann, Chief Executive Officer, DHISCO, Inc.*

In the ongoing power struggle between hotels and online travel agencies, one question that often emerges is, "Who owns the guest?" It's a question that will likely be debated for years, and grow even more complicated as new players continue to enter the online travel arena. The answer, DHISCO CEO Toni Portmann, argues, is "no one and everyone." And rather than argue over who should have access to customer email and other information, she says, they should look to new technology for managing rates and inventory and sharing richer content as the bridge to more amicable relationships. [READ MORE](#)



Maximizing Customer Supplier Relationships with Travel Management Companies

By *Donna Brokowski, General Manager Partner Solutions Group, Travel and Transport*

The relationship between business travel buyers (the customer), the travel management company (TMC), and hotels has evolved since the beginning of travel management into one of interdependency. The hotelier must understand the TMC/customer relationship in order for hotels to work more effectively with TMCs to establish, build, and maintain their relationships with the customer. [READ MORE](#)

 **Hotel Newswire**

Free Daily Industry News Updates

Post your hotel business news over the Hotel Newswire and reach over 65,000 hotel executives!

[SUBMIT NEWS](#)

 **Hotel Newswire** The internet's leading business news resource

mix. Be sure that any employees authorized to drive the vehicles are properly licensed and received safety training.

Hotels and resorts participating in these programs should have insurance coverage that includes primary auto liability, comprehensive and collision coverage, and significant limits from an excess or umbrella liability policy. Insurance agents and brokers that specialize in the hotel and resort industry will be able to recommend a comprehensive insurance program tailored to fit a particular hotel's needs, including auto coverage that satisfies both the hotel's needs and ultimately supports the overall guest experience. A good insurer can also assist a hotel in assessing its risk exposure surrounding implementing a driver experience program and provide mitigation strategies to help the hotel reduce their exposure and run a successful luxury driver experience program.

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...](#)

HotelExecutive.com retains the copyright to the articles published in the Hotel Business Review. Articles cannot be republished without prior written consent by HotelExecutive.com.

Like Page Share

Be the first of your friends to like this

Hotel Business Review
June 14 at 3:54pm

SBA 7(a) loan to refinance, purchase or renovate a hotel?
Terms available up to 25 years. Northeast Bank has decades of experience providing financing solutions for the purchase, expansion and renovation of hotels. Despite the unpredictability of revenue in the hospitality industry and regulatory uncertainty, especially related to CMBS, hotels can be a great investment for both owners and lenders. But owners need a lender who really understands how to value both hotel properties and market opportunities.

National Lending
Buy a Hotel? Re...
Northeast Bank has de...
NORTHEASTBANK.COM

3 Comment Share

Hotel Business Review
June 8 at 2:09am

Hotels! Add solar water heating for a better bottom line. From showers and laundries to dishwashing...

Coming Up In The July Online Hotel Business Review



FEATURE FOCUS

Hotel Spa: Measuring the Results

As the Hotel Spa and Wellness Movement continues to flourish, spa operations are seeking new and innovative ways to expand their menu of services to attract even more people to their facilities, and to and measure the results of spa treatments. Whether it's spa, fitness, wellness meet guest expectations. Among new developments, there seems to be a growing emphasis on science to define or beauty services, guests are becoming increasingly careful about what they ingest, inhale or put on their skin, and they are requesting scientific data on the treatments they receive. They are open to exploring the benefits of alternative therapies – like brain fitness exercises, electro-magnetic treatments, and chromotherapy – but only if they have been validated scientifically. Similarly, some spas are integrating select medical services and procedures into their operations, continuing the convergence of hotel spas with the medical world. Parents are also increasingly concerned about the health and well-being of their children and are willing to devote time and money to overcome their poor diets, constant stress, and hours spent hunched over computer, tablet and smartphone screens. Parents are investing in wellness-centric family vacations; yoga and massage for kids; mindfulness and meditation classes; and healthy, locally sourced, organic food. For hotel spas, this trend represents a significant area for future growth. Other trends include the proliferation of Wellness Festivals which celebrate health and well-being, and position hotel spas front and center. The July issue of the Hotel Business Review will report on these trends and developments and examine how hotel spas are integrating them into their operations.

{300x250.media}