

## Loss Control Tips - Hotels

Operating a hotel comes with a wide variety of challenges. After all, hotel owners must consistently deliver exceptional accommodations, maintain numerous on-site amenities and ensure a safe and enjoyable lodging experience for each of their guests.

What's more, hotel operations also carry many liability, security and property risks—all of which could lead to costly damages. That's why it's vital to have effective loss control measures in place. This resource outlines common risks hotel owners must address and offers helpful strategies to avoid possible claims.

### Occupiers' Liability—Guest Safety

Guest safety should be the main priority for all hotel owners. Without certain precautions in place, guests could experience injuries or illnesses from many avenues during their stays—potentially leaving hotel owners liable. Additionally, proper hotel emergency planning can go a long way toward protecting guests during a fire or other unanticipated disaster. Therefore, hotel owners should follow these measures to promote guest safety:

- Train employees on safe food-handling measures and how to avoid cross-contamination issues when working with raw meat.
- Have floor plans and escape routes clearly posted throughout the hotel to better assist guests in the event of an emergency evacuation.
- Clear emergency exits of any obstructions. Be sure these exits are illuminated with proper signage.
- Have all emergency lighting installed and routinely inspected by qualified professionals.
- Keep the parking lot in good condition with regular inspections and maintenance. Repair cracks, potholes and other possible slip and trip hazards as needed, and make sure the spaces are wellmarked.
- Make sure that adequate snow removal and de-icing protocols are in place throughout the property during winter.
- Place water-resistant rugs at all property entrances to eliminate slip and trip concerns from excess moisture during adverse weather conditions (e.g., rain and snow).
- Ensure that an appropriate number of smoke detectors and carbon monoxide alarms are installed throughout the property. Keep detectors and alarms on a routine inspection and maintenance regimen.



## Occupiers' Liability—Pools & Fitness Areas

Although pools and fitness areas can certainly attract guests, these accommodations also create serious liability concerns for hotel owners. Specifically, pool areas can pose hazards both in and out of the water (e.g., drowning risks, chemical exposures, and slip and trip concerns). Further, fitness areas often contain various forms of equipment that—if not managed properly could contribute to guest injuries. As such, hotel owners should utilize these precautions within pools and fitness areas:

- Ensure the pool is designed to meet legal standards.
- Install a self-closing, self-latching gate around the pool area to prevent children from entering it without being accompanied by an adult. Make sure this gate meets all applicable safety codes.
- Establish and enforce appropriate safety rules for the pool area. Such rules may prohibit running in the pool area or diving into the water. Utilize proper signage to inform guests of these rules.
- Implement adequate warning signage throughout the pool area.
- Keep the pool on a routine maintenance and inspection schedule to ensure the water remains safe for swimming.
- Store all pool chemicals in a safe location in accordance with the manufacturers' instructions. Keep this location properly secured to prevent guests from accessing it.
- Permit only hotel guests to use both the pool and fitness areas. Require guests to use a keycard or other secured entry method to access these areas.
- Make sure access to the fitness centre is limited to those who have signed a waiver.
- Keep all fitness area equipment in good condition with regular maintenance and sanitation protocols.

## Security and Crime

Due to the unique nature of lodging operations—namely, guests staying for extended periods and bringing luggage containing potentially high-value items on the property—hotels are generally more susceptible to crime concerns (e.g., theft, fraud, robbery and assault) than the average business. In the event of such crimes, hotels could experience large-scale losses and reputational damages. As a result, it's crucial for hotel owners to have the following security measures in place:

- Place security cameras throughout the property and post signage to emphasize that hotel operations are being constantly monitored. Train employees on how to correctly operate and maintain security cameras.
- Equip all hotel rooms with adequate locks and latching devices to ensure guest security.
- Require guests to use a keycard or other secured entry method to access their rooms. Make sure keycards are recoded or locks are changed if these entry devices are lost or stolen.
- Keep all cash, checks and receipts for the hotel in a properly secured safe until deposit time. Be sure to stagger deposits to prevent criminals from picking up on a pattern and exploiting it.
- Ensure all areas of the property—including the hallways, stairwells and parking lot—are well-lit.
- Establish effective procedures for reporting robberies at the hotel. Educate employees on these procedures.



## Property Damage

As with any business, hotels face numerous property exposures, especially as it relates to fire, water and structural damage. Whether it stems from poor maintenance procedures or a lack of prevention protocols, property damage can cause significant interruptions and is often accompanied by costly repairs or replacements. With this in mind, hotel owners should consider these steps to limit property damage risks:

- Keep the property on a routine landscaping schedule. Ensure any trees, bushes or other vegetation on the property remain adequately distanced from the hotel.
- Hire qualified professionals to conduct periodic hotel inspections and property maintenance.
- Make sure the hotel is equipped with an appropriate automatic fire sprinkler system. Have the system reviewed regularly to confirm it will be effective in the event of a fire.
- Train employees on how to respond if the sprinkler system experiences any leaks or other damages.
- Ensure sprinkler valves remain locked in the “on” position or are electronically supervised to prevent unintentional system shut-offs.
- Post signage instructing guests to refrain from blocking sprinkler heads or hanging any items on them (e.g., clothes).
- Consider prohibiting smoking on the property. If smoking is allowed, establish a designated smoking area with adequate fire prevention measures in place.
- Install Class ABC fire extinguishers throughout the hotel. Keep extinguishers on a regular inspection and maintenance schedule. Prohibit extinguishers from being obstructed to ensure they will be readily accessible when needed. Train employees on how to safely operate extinguishers.

## Learn More

It's important for hotel owners to implement effective risk management precautions to limit costly insurance claims and lawsuits. Doing so can bring various benefits, including greater guest satisfaction, fewer liability concerns and a lowered potential for property damage. Although this resource provides a range of loss control strategies, hotel owners don't have to establish their risk management programs alone. Working with a qualified and experienced insurance professional can make all the difference. Contact us today to discuss insurance options and more loss control techniques for hotel owners.

*If you have questions specific to your business, or would like additional information, please reach out to your Lloyd Sadd Advisor.*

**LET US HELP YOU MANAGE YOUR RISK**

### LOCATIONS

Edmonton: 1.800.665.5243

Calgary: 1.866.845.8330

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