

# Insurance solutions for the hotel industry

With premiums most likely on the rise, hotel owners have a few options to keep costs down and streamline their operations.

■ Richard Clark, managing director of Arthur J. Gallagher, first recommends taking more risk and higher deductibles, but mainly recommends talking with an insurance adviser, looking at your situation and trying to control claims.

“It is going to be important in property insurance that they put together a story to tell to the insurance carrier as to why they are a good risk, ... if they had recent renovation, good construction, whatever positives they have. They need to make sure that story gets told.”

■ Philip Glick, SVP at ECBM Insurance Brokers and Consultants, recommends renewing or extending your current deal to avoid the rising rates. Also, have a back-up insurer in mind in case your current insurer goes out of business in these uncertain times.

“One trend we’re seeing is don’t put all your coverages with any one carrier,” Clark said. “The trend before was getting as much as you could. ... Don’t chop up so much so you have no leverage, but you may want to diversify in case one goes down the tubes.”

■ One insurance strategy is to have a voluntary limited-benefits health plan for hourly employees, which can reduce workers’ compensation claims and is looked at favorably by workers compensation underwriters, according to Glick.

Jeff Stelnick, GM with Cigna Voluntary, said a limited-benefits health plan for lower-level employees also improves turnover and saves personnel expense. A plan like this would cost most single employees \$10 a week.

“To replace an individual that makes \$10 an hour it can cost \$3,000,” Stelnick said. “We’re seeing a lot of hotels put in place insurance benefits because there’s a return to the employer—it helps recruitment and reduces absenteeism.”



**Stelnick**  
CIGNA