



# Hospitality sector – insurance issues/ solutions

DELIVERED BY DIANE JENKINS ACII, CHARTERED  
INSURANCE BROKER

DECEMBER 2023

---



# Introduction / housekeeping

---

Welcome and thank you!

60 minutes webinar format – muted and video off. Polls, Chat, Q&A

## Diane Jenkins

- Background in Insurance Broking Sector – technical programme design, M&A due diligence, BI reviews, cyber insurance
- Former chair and education secretary of London Business Interruption Association



## Nick Thomas & Associates

- Up to the minute training solutions addressing the challenges of the modern insurance professional
- Technical insurance; sales, communication and soft skills; customer service; management and leadership; performance, resilience and wellbeing training

# Objectives

At the end of the session delegates will:

- Understand the key issues facing the sector
- Identify specific insurance solutions for the sector
- Be aware of insurance market issues for the sector

# Hospitality sector

---

## Broad sector

- food and beverages - restaurants, pubs, cafes, delivery services
- lodging - hotels, guesthouses, park homes, campsites, B&B
- meetings and events – conference centres, exhibitions, trade shows

Large range of business sizes



# Hospitality sector issues

---

## Cost of living crisis

- reduced consumer spending on ‘luxuries’
- wages
- power
- food/raw material costs

## Labour shortages – especially chefs

## Supply chain disruption

## ESG

- strikes
- weather



# Hospitality sector issues

---

Terrorism – Martyn’s Law

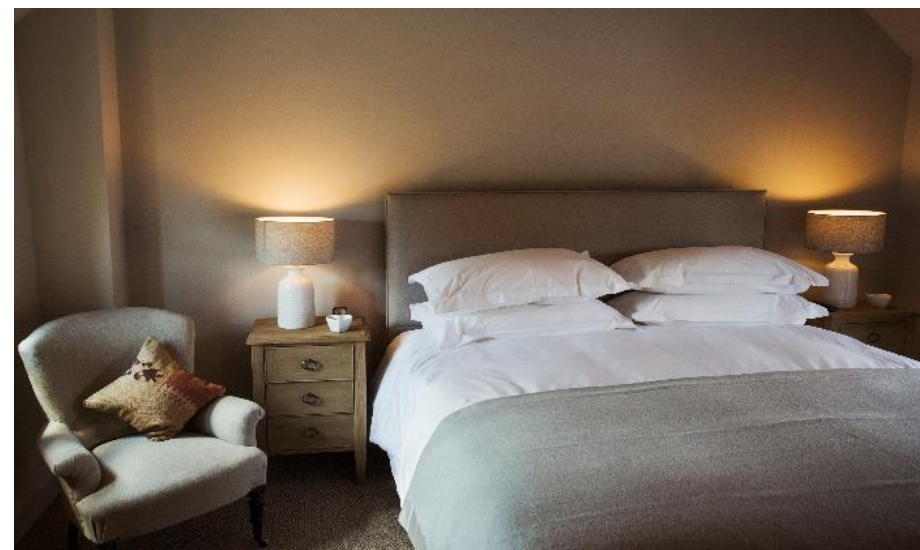
Gig/sharing economy – Airbnb,  
HomeShare, HomeAway

Regulation

Reputation

- bed bugs,
- drug dealing

Cyber security



# Property insurance for hospitality

---

Rising costs – underinsurance

Protect client

- Day One +50% - buildings and contents
- regular revaluations (some insurers offer discounts for professional valuers)
- listed building – special basis of indemnity
- seasonal stock increases



# Property insurance for hospitality

## Theft is a key risk

- Visitors/guests – some policies exclude theft by visitors/guests (even if unauthorised)
- employee theft - money/stock- need fidelity cover
- money on the premises/transit
- ensure inner limits sufficient

## Fire risks

- fat fryers
- some policies have onerous conditions – ensure client can/does comply
- watch for use of composite panels in food prep. areas/cool stores





# Property insurance for hospitality

---

## Clauses to consider

- pairs and sets
- undamaged stock

## Deterioration of stock

- some cover limited to food spoilage caused by insured peril
- freezer breakdown
- power failures



# BI insurance for hospitality

---

Ensure sum insured is correctly calculated

- wages included
- declaration link basis
- check inner limits on extensions

Key extensions

- closure due to food poisoning/under Food Safety Act
- suppliers
- denial of access (non damage if possible)
- failure of utilities (terminal ends)
- loss of attraction

Loss of licence

Event cancellation



# BI insurance for hospitality

---

Some additional risks may be covered via a parametric solution - based on

- credit card transactions
- room occupancy rates
- footfall
- restaurant seats occupied

Various parametric options now available - can cover:

- pandemic – customers unwilling or prohibited from accessing venues (including Covid-19)
- significant terror attack that deters customers
- widespread travel disruption or sustained poor weather keeps customers at home



# EL insurance for hospitality

---

## Key EL risks

- lone working – workplace violence, cash handling
- noise – entertainment
- harassment
- stress
- kitchens – knives
- dermatitis – cleaning chemicals

Ensure presentation has details of claims/risk management

Temporary employees



# PL insurance for hospitality

---

Legionella – need extension

Spas/swimming pools

- watch for exclusions/conditions – often certain activities/treatments excluded
- if bona fide sub-contractors used – conditions around their insurance

Door security staff

Terrorism



# PL insurance for hospitality

---

## Events

- fireworks
- marquees

## Host liability for guests in private homes

## Limits

- type of customer/guest
- terrorism exposure



# Cyber insurance for hospitality

---

## Data breaches e.g., Marriott Hotels

- data breach - 500m guest records incl. personal and financial data
- liability assumed via acquisition of Starwood Hotels in 2016 (breach occurred in 2014 discovered in 2018)
- July 2022 – 4<sup>th</sup> data breach in 4 years

## Liability claims

- public Wi-Fi

## Business interruption

- DDoS attacks

## Ransomware



# Motor insurance for hospitality

---

Courtesy buses

Electric vehicles

- accumulations
- charging points

Parking services

Food trucks

- cooking risks
- generators





# Objectives Revisited

At the end of the session delegates will:

- Understand the key issues facing the sector
- Identify specific insurance solutions for the sector
- Be aware of insurance market issues for the sector

# Thank you! Questions?

---

Contact:

Email: [nick@nickthomasassociates.co.uk](mailto:nick@nickthomasassociates.co.uk)

Website: [www.nickthomasassociates.co.uk](http://www.nickthomasassociates.co.uk)

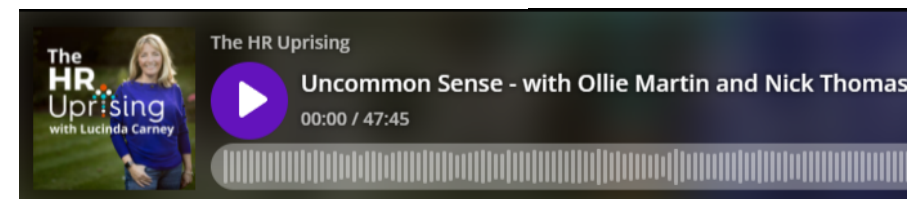
LinkedIn:

<https://www.linkedin.com/in/nick-thomas-64046113/>

LinkedIn Company:

<https://www.linkedin.com/company/nick-thomas-associates/>

*'Up to the minute training solutions addressing the challenges of the modern insurance professional'*

The logo for HRUprising, with 'HR' in purple and 'Uprising' in a lighter purple, with a colorful dot matrix graphic above the 'i'.

[Click here](#) to listen to Nick's latest podcast appearance on 'HR Uprising' talking about workplace performance, resilience and health