

## What insurance does an hotel need?

### *A brief guide to hotel insurance*

Insurance can be frustrating so this short guide is designed to help hotel owners understand what insurance their business may require. However, bear in mind that this is only a generalisation and you should speak to an independent insurance broker for more detailed assistance.

- ✓ **Buildings insurance:** If you own the property this can cover against damage to the structure. If you are only a tenant you can insure against damage to any improvements you have made. Check whether there is cover for subsidence or terrorism as these often have to be requested separately. You should also consider insuring what is in your grounds such as outbuildings, swimming pools and playing surfaces.
- ✓ **Contents & equipment insurance:** this should cover the contents of your hotel. You should specify particularly expensive items, items kept outside, things that may be removed from the hotel, alcohol, temperature controlled stock, money and electronic equipment. If you have seasonal fluctuations you can allow for this. Cover can be extended to include property belonging to guests and staff.
- ✓ **Public liability insurance:** designed to provide cover should a member of the public suffer an injury or if their property is damaged. It is amazing how many members of the public make claims against the hospitality trade for trips and slips. If your hotel has facilities or activities that are in addition to the normal food and accommodation you should advise your insurer, for example health & fitness facilities, golf course, children's play area, live music, etc.
- ✓ **Products liability:** this can be called upon if you supply something to a member of the public that causes injury or illness.
- ✓ **Employer's liability insurance:** a legal requirement and should cover you and your business if an employee suffers an injury, including part time and seasonal staff.
- ✓ **Business interruption insurance:** if your hotel suffers a claim for theft or damage you may then suffer a reduction in income; business interruption insurance will cover the lost income. You should also discuss a range of extensions that are suitable to the hospitality trade such as lost income following power cuts.
- ✓ **Engineering:** this can cover costs and expenses should equipment break down and can include the statutory inspection of lifts, boilers, air conditioning, etc.
- ✓ **Personal accident & sickness insurance:** this will pay a financial benefit to the hotel if an employee is injured or ill and unable to work.
- ✓ **Cyber liability:** this can help cover costs & expenses relating to losses or disruption of your own or third party data following a malicious or accidental information security incident.
- ✓ **Legal expenses:** provides legal advice and defence costs for a range of legal situations.

These are just some of the types of insurance available for most hotels; you may also want to consider insurance for directors & officers, treatment risks, prize indemnity, cancellation, loss recovery and others.

### *Queries or concerns?*

If you have any queries, or would like a general chat about your insurance needs, then just get in touch with us either by calling 01905 21681 or [contact us via email](#).