

INCIDENT RESPONSE

Managing Hospitality Risk



WHAT'S AT RISK?

Bad things happen. Accidents, crimes, manmade and natural disasters—even fraudulent claims—happen.

How much these incidents cost you, in customer good will and financial liability, depends largely on how well you are prepared to respond. The minutes and hours following the report of loss are crucial. The right response can sometimes help avoid an insurance claim altogether. And if there is going to be a claim, you want to start taking control of the situation, and your legal defenses immediately.

If the wrong steps are taken, or imprudent remarks are made, a claimant may seek damages based in part on your mishandling of the situation. So be prepared!

WHAT ARE YOUR LEGAL OBLIGATIONS?

Under common law, you have responsibility to provide a reasonably safe environment for guests and their property. When you receive report of a loss, it is your responsibility to get emergency assistance, if it is needed, to mitigate further damage and restore a safe environment, and then to investigate the situation as quickly and thoroughly as possible. Call 911 if the circumstances warrant and attend to the injured party.

You and your staff need to know the right sequence of steps to take, and what is appropriate to do and say under stressful circumstances. If you haven't planned ahead and trained all employees on how to respond to an incident, your hotel can suffer

unintended and unwanted consequences. Your objective should be to simultaneously protect your hotel while meeting the immediate and legitimate needs of the guest or visitor who has been injured. It can be a delicate balancing act that requires sound judgment, proper policies, and training.

HOW CAN YOU BETTER PROTECT YOUR ORGANIZATION?

For some suggestions designed to assist you in developing sound policies and procedures for your organization, please turn this document over and review the attached checklist.

For more information about this and other hospitality risk management topics, please contact:

National Specialty Underwriters, Inc.
10900 NE 4th St.
Suite 1100
Bellevue, WA 98004
(425) 450-1090
www.nsui.com



Checklist: Incident Response

- If necessary, call 911 or other qualified emergency help. Let Emergency Medical staff, police or fire department personnel do their job.
- Attend to the injured party. Make them as comfortable as possible and be solicitous of their needs. If you have certified first aid providers on staff, whose job duties include providing first aid, let them administer appropriate aid. (Don't enlist unwilling or uncertain employees for first aid on the spur of the moment.) Keep the injured party comfortable and in one place, unless the situation demands immediate movement.
- Take photographs of the accident area immediately whenever possible. The incident area should be blocked off from traffic until photos can be taken. Any conditions that may have contributed to the incident should then be remedied.
- Continue to treat guests as guests. Don't assume the situation will turn into a claim. Show the sensitivity, sincerity, and customer focus that you normally would.
- Do not admit that you, your employees, or the hotel is at fault, and make sure all employees of the hotel are trained on this very important point. Remain neutral and allow the investigation process to take place so that all the facts are known and the hotel can react appropriately.
- Do not offer to pay for the medical expenses of the injured party. It can be interpreted as an admission that the hotel is responsible for the injury, and as an implicit contract to take care of all future related medical costs.
- Do not volunteer information about insurance coverage. This may imply that the hotel is accepting responsibility and will be having their insurer take care of it. If an injured party asks specifically about the hotel's insurance, refer them to your insurance agent or broker.
- Do not correct employees at the scene. Any reprimand or corrective discussion with employees should not take place prior to a complete investigation, and it should never take place in public.
- Complete a thorough investigation. This means a complete statement from the claimant, and from any witnesses, signed and dated, with contact information for follow-up. Training on accident investigation ahead of time and preparation of incident report forms is critical.
- Complete a claim report and submit it to your insurance company immediately. Even if you don't think the situation will turn into a claim, let your insurance company know what happened.
- Do not discuss the incident or investigation with anyone but those with a legitimate business need-to-know. When in doubt ask your insurance agent or broker for advice.
- Keep all records, statements, or other evidence as permanent documents. In many jurisdictions, claimants have several years to file a claim before the statute of limitations runs out.