

# *National Hotel Insurance Program Informant*

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## **Thoughts of Success:**

"Develop success from failures. Discouragement and failure are two of the surest stepping stones to success."

**Dale Carnegie**

"Patience is a key element of success."

**Bill Gates**

"Action is the foundational key to all success."

**Pablo Picasso**

"Success seems to be connected with action. Successful people keep moving. They make mistakes, but they don't quit."

**Conrad Hilton**

"Failure is success if we learn from it."

**Malcolm Forbes**

"It doesn't matter how many times you fail. It doesn't matter how many times you almost get it right. No one is going to know or care about your failures, and neither should you. All you have to do is learn from them and those around you because... All that matters in business is that you get it right once. Then everyone can tell you how lucky you are."

**Mark Cuban**



## **FROM THE OFFICE OF MICK COTTOM: What's New in 2012?**

2012 promises to bring new challenges along with all the battles you currently face every day of every year. Although there are some signs of an improving economy, there are a lot of individuals and families hurting. We are seeing an increasing number of claims brought against our hoteliers that I think are driven by the current economic conditions.

We're seeing a variety of claim allegations. It is imperative that you review your employee handbooks and various risk management procedures to make sure you're doing everything possible to prevent any potential claim.

What are we seeing? The past three years we've had more employee dishonesty claims than in my previous 35 years in the business. Take time to review your checks and balances in your systems. Often times it is your "trusted employee" that takes advantage of your trust to rob you. Three things you can do to minimize the chances of employee dishonesty..... 1) Always run a 3<sup>rd</sup> party background check to see if there are any previous issues having to do with money..... 2) Make sure you have written procedures for handling all funds including credit card transactions.....3) Monitor closely to make sure all procedures and checks and balances are being followed.

We are also seeing increasing numbers of ADA type suits and charges being brought. Again, it is critical to make sure all your employees are familiar with ADA requirements. In March of this year there are additional rules and requirements that become effective. Are you familiar with them? Are all your team members familiar with them?

Another area that is critical to address is the privacy issue. Although it applies to both paper and electronic information, most of the claims we see result from some type of "internet hacking". You can purchase insurance to protect you. The insurance is referred to by a number of different names, most commonly either "Data Breach" or "Cyber-Liability". These policies vary widely in the coverage they provide as well as the amount of protection they provide.

One last area I want to touch on real quickly. This only applies if you have hotel vehicles, either service vehicles or shuttles. The shuttle situation is the MOST CRITICAL. It is critical that you get MVR's prior to allowing anyone to operate your shuttle. Next, make sure you have a

training program in place to check out their operation of the shuttle. Depending on the insurance company, the driver may need to be at least 25 years old.

Remember this, as a hotel owner YOU are responsible for any damage or INJURY your operator is responsible for. Do you want to be involved in a situation with multiple fatalities or serious injury that you possibly had a young driver with a previous DUI or other major violation? Not a good scenario.

In a nutshell, it's critical that we pay attention to all areas of our hotel operations. This litigious society is what we live in, so do what you can to minimize claims against your property.

If you have questions concerning any of these areas, please feel free to give me or any of the RCI Team a call to discuss. We are available to work with you in prevention as well as insurance to protect you should a situation arise.

Regards,  
*Mick Cottom*

***Availability:***  
Making my  
own schedule  
& priorities  
secondary to  
the wishes of  
those I serve.

## Smart Hiring Practices Save You Big Bucks

*By: Karen Phillips*

Let's say it's time to hire a new employee for a pivotal position. (Yes, folks are still hiring, even in a shaky economy!) How do you proceed? Do you do everything possible to find the right person and—like a gardener transplanting a flower—help her get her roots firmly established in your organizational soil?

Too many leaders don't. Maybe they hire a Negative Nelly because they're dazzled by her employment pedigree. Or they're so desperate to fill a vacancy that they take the first "warm body" that comes along. Or they find a great candidate but throw him in to sink or swim.

In tough economic times, you simply *must* have the right people in place. You must make good hiring decisions *every time*. That doesn't just mean hiring smart, talented people. It means hiring smart, talented people *who fit your company culture*. And it means nurturing them once they're on board.

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## How Can I Reduce My Workers' Compensation Premiums?

*Written By: Kylie Proffitt*

Some industries still continue to have more claims and costs affecting their worker's compensation premiums. It may be time to begin a Risk Management program in your business.

Insurance premiums for workers compensation, as reported in December 2011 by the U.S. Bureau of Labor Statistics, cost employers \$30.94 for every hour worked in September. Of this amount, \$20.91 was spent on lost wages and salaries to employees who were missing in action for a period of time.

Other costs, such as lost production time and the increase in premiums for workers compensation insurance, are not included in the number.

The businesses are not the only ones who are hurt financially from accidents at work. Employees injured on the job, and their families, suffer a reduction in income during the period the injured employee misses work.

Workers in different industries suffer from accidents of varying types, depending on the hazards of the particular job. For instance, food service workers may suffer a higher rate of burns or slips on wet floors than an assembly line employee who works in a seated position all day long.

We can help you develop a Risk Management program for your business. We're here to help!

## ***Did You Know...***

*Written By: Amber Helmuth*

We have recently visited with a number of our commercial clients about their personal insurance – auto, home, personal umbrellas, life, and recreational vehicles. We found out that an overwhelming number of our business customers did not even know that we write personal insurance! So, I just wanted to let you know that we have several companies that we write through. We have a market for almost every risk! If you would like a quote on your insurance, feel free to call or email me with the information. I will do my absolute best to provide you excellent coverage at a competitive rate with a superior company.

## **Workers Compensation Audits**

*Written By: Leigh Wheless*

Most workers compensation policies are issued with an estimated annual premium. Final premium is calculated based upon wages actually paid in each job classification. Since an accurate calculation cannot be made until the end of the policy year, a premium audit is completed to review your business operations, workers' duties and payroll records to determine the actual premium amount. There are usually two methods companies use to perform the final audit. One is a mail audit and the other is a physical audit. The company may mail you forms to complete and return. The physical audit is conducted at your place of business. As part of the audit process, you will need to provide general business information and complete payroll records. These documents may include the general ledger, payroll journals and timecards, federal and state tax reports. If information is not received, the companies have the option to either cancel the current policy or charge for an estimated audit.

### **REMEMBER THE BANK**

*By Rhonda Bennett*

Have you paid off the mortgage or recently refinanced?

Mortgagee and loss payee information is very important. The insurance company automatically includes the mortgagee or bank listed in the policy on a claims check. If the mortgagee or bank information is incorrect, it will delay you getting the money you deserve.

Do not wait until you have a claim.

Check your policy and make sure the correct Loss Payee or Mortgagee is listed. Cannot find the policy; call your insurance representative for a quick review.

## **Top 10 Workers' Compensation Claim Mistakes**

1. Not Reporting a Claim Immediately
2. Inadequate or No Investigation at the Time of the Injury
3. Insufficient or No Documentation Regarding the Details of the Accident/Injury
4. Losing Touch with an Injured Worker
5. Not Securing a Medical Release at the Time of Injury
6. Not Having a Transitional or Light-Duty Return to Work Program
7. Treating the Injured Worker and the Medical Provider with a Passive Attitude
8. Lack of Understanding about Workers' Compensation in General
9. Hiring Unqualified Employees and Not Enforcing Proper Job Safety
10. Keep in Contact with the Adjuster

