

# *National Hotel Insurance Program Informant*

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## ***THOUGHTS OF SUCCESS***

It is not the [employer](#) who pays the wages. Employers only handle the money. It is the customer who pays the wages.

No [employer](#) today is independent of those about him. He cannot succeed alone, no matter how great his ability or capital. Business today is more than ever a question of cooperation.

When everything seems to be going against you, remember that the airplane takes off against the wind, not with it.

Life is a series of experiences, each of which makes us bigger, even though it is hard to realize this. For the world was built to develop character, and we must learn that the setbacks and grieves which we endure help us in our marching onward.

Most people spend more time and energy going around problems than in trying to solve them.



## ***FROM THE OFFICE OF MICK COTTOM:***

### ***Why Do My Rates Go Up? Part II***

As often as we have discussed in the past few months, I still get the question: “Why did my insurance go up?” We all know that insurance is a shared risk. The insurance company puts many policies in a “pool” and tries to price the insurance so that at the end of the day, they can pay all of the claims arising from those policies and maybe even make a profit. That’s the American way.

The question then becomes, “Well how is that working for them?” Sad to say: not too well, especially here in the Midwest. Just look at May. Oklahoma, especially the OKC area, was pounded by severe weather. The claim payments made to just hoteliers in the OKC area will exceed the amount of premium collected from hotels for the entire state of Oklahoma.

What are the numbers? In our agency alone, from 2007 thru 2009, we placed approximately \$6,000,000 of premium with 3 companies. During that time, those companies paid almost \$8,000,000 in claims. From the company perspective, it’s not working too well.

Certainly there is nothing we can do about the weather, but we really need to pay close attention to the areas that can be controlled. What is your risk management program?

Hopefully it starts with hiring the right employee. That should start with complete background checks, performed by an outside company. There are many good companies that can do this for you for a small fee. RCI has partnered with TRAK-1 to give our clients a discount on your background checks. Go to our website, [www.rci-ins.com](http://www.rci-ins.com) for more information or contact our office for more information.

Do you have a safety manual? If so, do you regularly have meetings to discuss certain topics? You should be, and you should be keeping records of what you discussed and who was in attendance.

Simple things like the above can help manage losses and help keep your insurance costs in line. For more information, contact our office or go to our web-site ([www.rci-ins.com](http://www.rci-ins.com)). Go to the hotel page and frequently asked questions.

With summer upon us now, hopefully you're seeing increased traffic and increased revenue. This year things should start turning around. Let me know if there's anything that I can do for you, or any of us here at RCI Insurance Group.

Regards,

*Mick Cottam*

## Partners Page

Looking for more clients? Trying to find a local business? Check out our "Partners Page" on our website. We are starting to help local businesses attract more clients. And it's FREE advertisement. You might see a vendor that you need or are looking for, and they might just offer a discount to people who see their ad on our website! If you want to become a partner of RCI, just give us a call and we'll get you added to our website. But best of all... It's FREE! [www.rci-ins.com](http://www.rci-ins.com)

## Product Recalls

With all the recent news on vehicle recalls, a few other recalls have been skipped. So here are some recent recalls that you may or may not know about.

- ***Walong Marketing, Inc. of Buena Park, California is expanding a voluntary recall of Flying Horse Sesame Chewy Candy due to undeclared peanuts*** : The recall was initiated after being notified by the FDA of a consumer complaint involving an allergic reaction related to the consumption of the Flying Horse Black and White Sesame Chewy Candy. People who have severe sensitivity to peanuts run the risk of serious or life threatening allergic reactions if they consume this product. ([Source: FDA](#))
- ***Graco Recalls Harmony High Chairs Due to Fall Hazard***: The U.S. CPSC today announced a voluntary recall of Graco Harmon High Chairs. The screws holding the front legs of the high chair can loosen and fall out and/or the plastic bracket on the rear legs can crack causing the high chair to become unstable and tip over unexpectedly. This poses a fall hazard to children. ([Source: PR News-wire](#))
- ***Do It Best Recalls Bicycle Bells Due to Violation of Lead Paint Standard***: The CPSC announced a voluntary recall of Bicycle Bells sold at Dollar Stores and Do It Best Hardware stores nationwide. The red paint on the bicycle bells contains excessive lead levels, violating the federal lead paint standard. ([Source: PR News-wire](#))
- ***Lumetique Recalls Botanika Candles Due to Fire and Laceration Hazards*** : The U.S. CPSC and Health Canada announced a voluntary recall of the DayNa Decker Botanika Candles. The candle flame can unexpectedly flare up and the glass container can crack, posing fire, burn and laceration hazards to consumers. The firm has received five reports of the glass breaking and six reports of high flames. No injuries or property damage have been reported. ([Source: CPSC](#))
- ***Remote Control Kits for Electric Fireplaces and Stoves Recalled by Dimplex North America*** : Dimplex has received about 5,000 reports of the plug-in wall units overheating including 19 reports of damage beyond the remote control and one report of a house fire in Columbus, Ohio that resulted in considerable property damage. The recalled remote control kits are used with Dimplex, Electraflame, Symphony, Optiflame, Electralog and Charmglow brand electric fireplaces, stoves and fireplace inserts. Consumers should immediately stop using the remote control kits, unplug the power cord from the remote control kit's wall unit, remove the wall unit from the electrical outlet and contact Dimplex for a free replacement kit. ([Source: CPSC](#))
- ***C. H. Guenther & Son, Inc. Announces Amended Voluntary Nationwide Recall***: C. H. Guenther & Son, Inc. today announced a voluntary recall of additional products containing a pepper ingredient that may have the potential to be contaminated with Salmonella. The recalled products contain black pepper distributed by Mincing Overseas Spice Company. ([Source: FDA](#))

**Did you know digital copy machines have a hard drive?**

**This means any image the copy machine copies, the machine stores a copy. This makes it easier for someone to steal your identity or the identity of your client. When you get rid of the machine or it stops working, that doesn't mean that someone can't take the hard drive to find personal information about you, your business, or your customers. So be warned.**

**Check with the company that provides your copy machines. See if there are any precautions you can take and apply them!**

## *My Premium is Higher than the Quote!*

*Written By: Tommy Harvey*

Recently, I have quoted new business and when the policies are issued the rates are higher than what the quote was. The person purchasing the insurance is not usually very happy with me, to say the least. It is hard to explain why their rate is different when the client is upset. Everything affects your rate. This includes your credit score, your loss history, how many drivers are in the household, type of fence, foundation type, square footage, condition of roof, number of losses, closest fire hydrant, responding fire department, number of mortgages, type of animals, type of siding, or number of smoke detectors. There are several other factors that go into getting a final premium. If you tell me you have a 5000 square foot house and it turns out to be a 7000 square foot house, the quote I gave you is not going to be accurate. If you say your roof is 3 years old and it turns out it is 8 years old, the premium will change. If you have young drivers in your house, the company can pull that information and will charge for these drivers if they are not excluded from the policy. If you are farther from a fire hydrant than what you tell me, your premium will increase. If you have losses you do not disclose, your rate will go up, even if the accident is not your fault. The quote I give is only as good as the information I receive.



Another issue that has been coming up recently, is that after an accident everyone thinks they have rental or towing. If you do not pay for this service, it is not provided on your policy. The majority of clients want the absolute cheapest insurance when they are shopping. However, after there is a claim they want to have the best insurance. My job is to write the coverage you request. But I always try to suggest the type of insurance that you need to protect you, your family, and your assets. But most of the time it is rejected for the lowest available premium. You cannot purchase a Volkswagen and expect a Cadillac. We have the best available rates, but we cannot provide the best available policy for the same price you purchase basic liability for. It is a horrible feeling to have a client call in a claim only to advise them they have the lowest available limits. And if they have caused more than \$25,000 in damage, then they will be responsible for the remaining damage.

This happens **QUITE OFTEN**.

If you get in an accident how much do you want your insurance to cover? If you are unsure whether you have adequate coverage, please call or email me ([tommy@rci-insurance.com](mailto:tommy@rci-insurance.com)). I will be happy to look over your policy, even if it is with another company. This includes your home, auto, and business. It is better to find out your coverage is too low before the accident, than it is to find out afterwards.

Anyone who stops learning is old, whether this happens at twenty or eighty.

Anyone who keeps on learning not only remains young, but becomes constantly more valuable regardless of physical capacity.

*--Harvey Ullman*

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## Tell Others About Us and Win a Prize

Congratulations to this month's winner, Asha Patel with Comfort Inn in Willow Springs  
Asha has won a \$25 VISA Gift Card, for sending us referrals. Keep telling others  
about RCI and **YOU** could be our next monthly winner or our next yearly winner. This year, our annual  
drawing will be another week's Get Away Vacation to Branson, Missouri and \$500 spending cash!!  
Every time you send us a referral and they give us your name, you will be entered into our grand  
prize drawing.

Plus, you'll be entered in the monthly drawing as well!!  
So keep sending us your referrals. We really do appreciate it!!

**Important Reminder!!** Don't forget we are a **NATION WIDE** agency. So if you have friends  
looking for insurance in the continental US, tell them about RCI!

**Thank you!** THANK YOU! **THANK YOU!** Thank you!

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		We are delighted to recommend Mick Cottom and his team of experts at RCI. Mick and his team have done		
		an excellent job of taking care of all our insurance needs and requirements for the last several years. We are		
		particularly impressed with the professional attitude and the courteous service for our hospitality insurance.		
		Mick and his team of experts have done a fine job in getting us competitive pricing along with great service.		
		Mickey Patel – Frontier Hotels, Tulsa, OK		
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