

National Hotel Insurance Program Informant

*A Publication of RCI Insurance Group
October 2011*



621 N. Cherokee, Claremore, OK 74017 800-753-5797
Fax: 877-341-6088 email: info@rci-ins.com website: www.rci-ins.com

Thoughts of Success:

“A leader is one who knows the way, goes the way, and shows the way.”

“A great leader's courage to fulfill his vision comes from passion, not position.”

“A leader leads by example, whether he intends to or not.”

If your actions inspire others to dream more, learn more, do more and become more, you are a leader.”

“A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves.”

“A good leader inspires people to have confidence in the leader, a great leader inspires people to have confidence in themselves”

“Leaders must be close enough to relate to others, but far enough ahead to motivate them.”

“Productivity is never an accident. It is always the result of a commitment to excellence, intelligent planning, and focused effort.”



FROM THE OFFICE OF MICK COTTOM: Preparedness / Risk Management

What is preparedness and why is it important? Preparedness is something different for everyone. When I think of preparedness, I think of looking ahead and looking at various scenarios that can take place, and how they would affect my business.

When you think preparedness, our first thought usually goes to a “major event”. That may be a tornado, hail storm, snow storm or a multitude of other events of a catastrophic nature. However there are many other incidents that arise that a risk management plan could prevent or minimize.

A strategic risk management plan is more critical today than ever before. Most hoteliers look to their insurance program for protection in case of loss. In today's insurance environment there are limitations and exclusions that need to be addressed. Some of the exposures can be covered by additional insurance, but it's best if these risks are addressed and avoided.

There are many types of claims that can be brought against your hotel as a result of management's decisions (or lack of employee training) that are not typically covered under your general liability policy. Some of these types of claims may be covered by special insurance policies other than your general liability policy. The types of risk claims you as an owner or manager should address and are likely not covered under your general liability policies include:

- Business interruption;
- Workplace violence;
- Terrorism;
- Sexual harassment, employee discipline, and termination;
- Violation of the Americans with Disabilities Act, commonly referred to as ADA;
- Environmental claims including mold and silica, construction defects, and Professional Errors and Omissions (by architects, engineers, accountants, attorneys – whether in-house or outside consultants).

The list could go on and on, but suffice it to say that you have many more exposures than ever before that fall outside the typical insurance program of just a few years ago. It is critical to work with your insurance advisor to talk about the risks you face and how to minimize or avoid the risk.

Our National Hotel Insurance Program here at RCI Insurance Group is designed to help you address many of the risks you as a hotel owner or manager face. In addition we can work with you to help you design and

and implement a risk management strategy if you don't currently have one.

I find that many of you have a risk management policy including employee handbooks etc, but often-times, the employee has never seen the handbook/manual. If you have questions or want further information, feel free to give me a call.

Regards,

Mick Cottom

Claims Experience

The severity, type, and frequency of workers compensation claims you incur has a significant effect on your workers compensation premium. The more severe the claim and the more claims you incur, the higher your premium will be.

You can make a significant impact on your workers compensation premium over time by developing and maintaining a safety culture geared towards preventing accidents and injuries. In addition, regularly review your loss history and look for open claims that have been resolved but never closed. These outstanding claims can add unnecessary costs to your workers compensation premium.

Thoroughness:

Knowing what factors will diminish the effectiveness of my work or words if neglected.

Pursue excellence by planning the details & maintaining accuracy.

KEEP THE HEAT ON

By: Rhonda Bennett

We can all use a break from what seems to be an extra long HOT SUMMER! The heat drove our fuel costs up and put a heavy strain on the air conditioning units. We are all ready for a break!

Winter is just around the bend and will give us some relief – or will it? Freezing temperatures cause different problems. Last winter Oklahoma had temperatures in the single digits. Many businesses' had water damage claims due to frozen pipes bursting. Some claims, unfortunately were not paid by the insurance company. Why? Do you keep the heat on in every building?

Standard operating procedure for some hotels and motels is to keep heat on in "every other room". This is done to help keep fuel costs down. However, review the insurance policy; you may not have coverage if a pipe burst in a non-heated room or building. Here is the wording in an insurance policy's Causes of Loss-Special Form:

..... "B. Exclusions

2. We will not pay for loss or damage caused by or resulting from any of the following:

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained"

What happens to the money you saved by not keeping the heat on? Should the insurance company deny the water damage claim, YOU will have to pay for the repairs. **Keep the heat on this Winter!**

5 Signs of Bed Bugs- Submitted by: Tammy Ridgway

1. RED STAINS ON BEDDING OR MATTRESS.

The red stains are left on your bedding or mattress when bed bugs are crushed.

2. BED BUG FECES ON BEDDING OR MATTRESS.

Bed bugs will leave a blackish looking trail of fecal specks on your mattress or bedding. Bed bug feces are pretty much just dried blood.

3. BED BUG EXOSKELETONS (OR EGGS) IN BEDDING, ON MATTRESS OR ANYWHERE ELSE.

Exoskeletons are the hard shell of a bed bug. This shell protects the bed bug and provides the structure for its muscles and organs.

4. AN UNUSUAL, SWEET AROMA.

It is said that when you crush bed bugs or have a heavy bed bug infestation, you can smell a sickly sweet aroma

5. SUSPICIOUS BITE MARKS ON BODY.

Bed bugs tend to leave bite marks in a straight line or trail. They often appear in a series of 3 or 4 bites. Bed bug bites often resemble mosquito and flea bites.

Faulty Wording in Insurance Claims

“Coming home I drove into the wrong house and collided with a tree I don’t have.”

“The other car collided with mine without giving me warning of its intention.”

“I thought my window was down, but I found it was up when I put my head through it.”

“The guy was all over the road! I had to swerve several times before I hit him.”

“I pulled away from the side of the road, glanced at my mother in law, and headed over the embankment.”

“In an attempt to kill a fly, I drove into a telephone pole.”

“As I approached the intersection, a sign appeared in a place where no stop sign had ever appeared before. I was unable to stop in time to avoid the accident.”

“An invisible car came out of nowhere, struck my car, and vanished.”

“The indirect cause of the accident was a little guy in a small car with a big mouth.”

Now that you had a good laugh, remember that the only thing funny about these claims is the words that were used to report the accidents. Any of us could be hit by an invisible car while attempting to kill a fly! Make sure you have adequate coverage to cover the damages done when a similar situation happens to you.

Why Lazy Co-Workers Are Worse Than You Think

Submitted By: Karen Phillips

Have you heard that old saying about one bad apple? When it comes to working in teams, it really is true. According to Benjamin Walker, a PhD candidate at the University of New South Wales’ Australian School of Business, the laziest member of a team actually has the greatest impact on its success or failure.

Academics have long thought that teams performed at about the average skill level of each of its members. So, at work, having a particularly skilled person on your team would help the performance a bit, and having a particularly unskilled or even lazy person would bring the performance down a bit.

That makes sense, but Walker’s study suggests it’s wrong. Walker first suspected this when he encountered a situation familiar to many of us. He and the other students were supposed to work in teams, and his team included, essentially, a freeloader: someone who did almost no work, but got the same grade as everyone else on the team. Then, when the team did relatively well, the freeloader did everything in his power to get assigned to the same team again.

So Walker designed a study. He gave 158 students a test designed to see how conscientious and motivated they were, and then sorted them into 33 teams. Each team was given a case study to work on, and was told that each team member would receive the same grade based on how well they did. He found that “the person who contributes the least has a huge impact. Even if the rest of the team is pulling their weight, they won’t be able to compensate for that member.” In the end, that single lazy person ended up with the most responsibility for team failure or success. Walker also ran tests to see if recklessness affected team performance, but found that the group mentality overrode the few impulsive people—in a way that it couldn’t do with lazy folks.

What do you do when faced with someone who just won’t pull their weight

Classification Codes

Employers are assigned classification codes based on their industry, and different codes are assigned to employees based on the type of labor in which they engage. These class codes are set by the National Council on Compensation Insurance (NCCI), and they are state specific.

You can affect the amount of premium you pay by conducting an audit of your employee classification codes on an annual basis to ensure accuracy. This can be done by reviewing current employee classification codes and identifying any employees who are not correctly classified. For example, if you have an employee who has moved from a job on the factory floor to the office, this employee may be assigned a less costly classification code to reflect the change in their work responsibilities to a job with less risk of injury. If you need to review a specific class code or request information from the NCCI Scopes Manual, you can call NCCI at 800-NCCI-123, or ask your insurance agent.

RCI Insurance Group
P. O. Box 1185
Claremore, OK 74018
918-341-6081 \ Toll Free: 800- 753-5797
Email: info@rci-ins.com



Tell Others About Us And Win a Prize

Congratulations to this month's winner, Nick Bhagat with the Econo Lodge Airport in Tulsa, OK! Nick 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 a week's getaway 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!

RCI has been helping us since 2007. They have been there for us every step of the way. They are very professional and prompt with their service. RCI has always given us good advice and opinion whenever I need some help with the claims. On top of that, they find the best available quotes for your insurance.

Thanks RCI for everything!!!! Keep up the great work!!!!

-Prashant Patel, Super 8 New York.