



AMERICAN RISK MANAGEMENT RESOURCES NETWORK, LLC

CLAIMS EXAMPLES

ENVIRONMENTAL INSURANCE WITHIN THE HOTEL AND HOSPITALITY INDUSTRY

The hotel and hospitality industry is not usually associated with messy contamination and pollution events. Unbelievably, the industry itself faces a multitude of environmental loss exposures that are generally not covered under General Liability and Property insurance policies. Along with these loss exposures a Hotel's premises usually has a large number of people in closely confined spaces thus the potential for large claims and ensuing business interruption costs can become costly quick.

COMMON HOTEL AND HOSPITALITY ENVIRONMENTAL LOSS EXPOSURES

Indoor Air Quality

Air can become grossly contaminated with mold, fungi, viruses and other contaminants such as Legionella and Mersa Bacteria. Pollutants can be picked up by HVAC systems as a result of construction or remodel project and then spread through facilities. Many facilities include swimming pools or water parks that produce humid conditions that is perfect for mold growth.

Lead & Asbestos

Many older facilities may contain lead paint or asbestos. Exposures include bodily injury claims from hotel guests whom can have trouble breathing due to inhalation of these excluded contaminants.

Storage & Handling of Hazardous Materials

Above ground and underground storage tanks can be used at hotel and hospitality facilities to store materials such as fuels, heating oil, chlorine or other additives for pools and water facilities. When hazardous materials are stored on-site, they can create contamination losses from improper handling.

Million Dollar Problem....

Large hotel franchise was hit with a \$1.8 million class-action settlement for one of its prize Honolulu hotels that had been contaminated with mold in 2002. Mold overtook the hotel about a year after the \$95 million building opened. No serious health problems were reported, but the tab for cleanup and business interruption costs came close to \$55 million.

<http://honolulu.legalexaminer.com/defective-dangerous-products/hilton-settles-mold-class-action-lawsuit>

Bacteria hits close to home...

Both a general liability and umbrella policy excluded coverage for bacterial-related liability an Illinois federal judge found in January 21st 2010 granting an insurance company's judgment seeking no duty to defend an insured hotel owner and operator against fatality claims from guest's families that guest contracted Legionnaire's disease from the improper maintenance and upkeep of a hot-tub.