

2016 HOSPITALITY LAW CONFERENCE

FEBRUARY 22-24, 2016

THE STATE OF THE INSURANCE MARKET FOR
HOSPITALITY ENTITIES

Presented by:

Brian Ruane-Willis Towers Watson



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PRESENTERS



Brian Ruane

Executive Vice President, Willis Towers Watson

- ❖ Brian Ruane is a 30 year veteran of Willis Towers Watson. He currently holds the position of Executive Vice President , Director National Real Estate Hotel Practice.
- ❖ Prior to creating the Willis National Real Estate Hotel Practice in 2004 , which has grown to be the 2nd largest industry practice at Willis Towers Watson , Mr Ruane served in a number of Executive Management Positions



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STATE OF THE MARKET

1. Surplus at all time high
2. Carriers making money on underwriting
3. Investment returns suboptimal
4. Goal is double digit ROE
5. Trend toward industry consolidation
6. Industry has been positively impacted by lack of catastrophe losses
7. Alternative forms of capital flowing into reinsurance market
8. Pressure to get underwriting profit to offset low returns on investment
9. Are reserves adequate?
10. Underwriting becoming more analytical , more science than art

WHAT WORRIES INSURANCE CARRIERS

1. Demographics
2. Global warming
3. Are clients prepared for next disaster
4. Flood claims on rise
5. Erosion of defenses

EMERGING ISSUES

1. Environmental Claims
2. Terrorism
3. Active Shooter Scenarios
4. Cyber Risk
5. LEED Certification
6. Bed Bugs

STEPS TO TAKE

1. Start early
2. Consider moving renewal date
3. Review open reserves
4. Meet underwriters
5. Consider insurance carriers with hotel expertise
6. More information is better
7. Require quotes at least 30 days in advance
8. Consider options with varying deductibles
9. Benchmark
10. Evaluate limits
11. Be sure to understand how deductibles apply
12. Ask for assistance on loss control and safety