

HOTEL REPUTATION PROTECTION 2.0.

PROTECTION FOR YOUR HOTEL AGAINST THE IMPACT OF ADVERSE MEDIA ACTIVITY

This new insurance product provides hotels with public relations assistance and financial compensation for loss of RevPAR, if an incident at your hotel attracts adverse media coverage.

Mass media influences the consumer

Modern electronic communication allows adverse news to spread exponentially. Social media encourages the participant to send and receive information allowing the correspondents to make comments or form personal judgements about events. Social media cannot be controlled in advance, nor can the content being reported or discussed be actively managed. Traditional media actively utilises social media as a vehicle for discovery, allowing further reporting of incidents. Any internet search for adverse media incidents at hotels or leisure destinations quickly identifies how the mass media machine will interpret an innocuous incident using sensationalism to attract readers.

Reputation damage

Disenchanted guests can willingly stream adverse commentary about their recent experiences whilst staying at your hotel or leisure destination. Metcalfe's Law indicates that this commentary will reach multiple consumers as this adverse commentary migrates across more internet networks. This resulting dialogue will represent the collective truth as interested parties read, learn and interpret the truth subjectively. As noted in the Willis Hotel and Leisure industry autumn 2010 newsletter, 30%-40% of a business's worth is accounted for by reputation. The loss of this reputation will have a financial impact on reservations, occupancy, ability to maintain ADR and RevPAR at a hotel.

Hotel Reputation Protection 2.0

Designed by Willis and Lloyds of London insurer Kiln this new product responds to incidents which attract adverse media reporting. The HRP2.0 product delivers protection for hotels which become involved with an incident that gets reported in any public communication or medium which leads to or is likely to lead to a loss of RevPAR.

Crisis Management Costs

This insurance product responds by insuring crisis management costs for an approved crisis management professional who assists with handling the incident with the media. This section of the insurance coverage is provided on a scaled payout commencing with 100% in week 1 of the incident, reducing over a time scale as the incident and media reporting becomes controlled.

Loss of RevPAR

This insurance product offers loss of RevPAR which directly results from the incident, protecting the hotel's financial loss caused by the adverse media coverage.

Policy Limit

The insurance product allows sectionalised individual limits for crisis management and loss of RevPAR with an overall aggregate of up to €25,000,000 within the policy period.

Policy Perils

Incidents which are covered by this policy include:

- Death of a guest
- Permanent physical disablement of a guest
- Food-borne illness caused by malicious or accidental contamination
- Outbreak of Norovirus
- Outbreak of Legionnaire's disease

FOR MORE INFORMATION CONTACT

Laurie Fraser

Global Markets Leisure Practice Leader

Email: fraserl@willis.com

Telephone: +44 (0)20 3124 6517



www.willis.com

Willis Limited, Registered number: 181116 England and Wales.
Registered address: 51 Lime Street, London, EC3M 7DQ.
A Lloyd's Broker. Authorised and regulated by the Financial Services Authority.

10105/10/11