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Franchise Hotels Insurance Requirements - Select & Longer Stays (RSK-INS-002)

FRANCHISED STANDARD

REVISED: JANUARY 05, 2024 | REVIEWED: JANUARY 04, 2016

Region & Brand Applicability Table

BRAND NAME	US/ CAN	CALA	AP	EUR	MEA
AC Hotels	✓				
Aloft Hotels	✓				
Courtyard	✓				
Element Hotels	✓				
Fairfield	✓				
Four Points	✓				

BRAND NAME	US/ CAN	CALA	AP	EUR	MEA
MOXY Hotels	✓				
Residence Inn	✓				
SpringHill Suites	✓				
StudioRes	✓				
TownePlace Suites	✓				

APPLIES TO: Risk Management & Loss Prevention

Overview

Insurance requirements for all Select & Longer Stays franchised hotels in the US.

Requirements

There are three (3) parts of this Risk Management Standard:

- Policy Amounts
- Requirements
- Compliance

Section #1

1. Policy Amounts

Throughout the term of any franchise agreement, the following must be in place at the expense of the franchisee:

Type	Requirement	Amount
(1) Property Insurance	(a) Property Insurance or builders risk insurance during any period of construction, including: <ul style="list-style-type: none"> • Boiler and machinery coverage on the hotel • Landscape improvements coverage • Law and ordinance coverage • Loss or damage by: <ul style="list-style-type: none"> ◦ Fire ◦ Lightning ◦ All other risks covered by the usual all-risk policy form 	Not less than one hundred percent (100%) of the full replacement cost of the hotel building and contents and a waiver of co-insurance penalties and agreed amount endorsement including Business Interruption Insurance.
	(b) Business Interruption Insurance Such business interruption insurance will name Marriott International, Inc. and its subsidiaries and affiliates as a loss payee as its interest may appear.	At least twelve (12) months loss of profits and all fixed and continuing fees (including franchise fees, marketing fund fees, program fees (if applicable), electronic systems fees, and any additional marketing programs fees) for interruptions caused by any occurrence covered by the required Property Insurance.
	(c) Terrorism Insurance (if not covered under Property Insurance in (a))	Reasonable limits at the discretion of the Franchisee or any lender, including Business Interruption Insurance for the period required in (b).
	(d) Flood Insurance if the hotel is located in whole or in part within an area identified by the federal government as having a special flood hazard	Reasonable limits at the discretion of the Franchisee or any lender, including Business Interruption Insurance for the period required in (b).
	(e) Earthquake Insurance for hotels in Hawaii, California, Oregon, Washington, and British Columbia, Canada and any other region where earthquake is excluded from the Property Insurance above or if the hotel is located in an earthquake prone zone as determined by the U.S. Geological Survey or the insurance industry.	Reasonable limits at the discretion of the Franchisee or any lender, including Business Interruption Insurance for the period required in (b).
	(f) Windstorm Insurance if the hotel is located in a windstorm prone zone as determined by a U.S. Geological Survey or the insurance industry.	Reasonable limits at the discretion of the Franchisee or any lender, including Business Interruption Insurance for the period required in (b).
(2) Workers Compensation and Employers Liability	Workers Compensation and Employers Liability Insurance	Statutory amounts on all employees of the hotel and employer's liability insurance in amounts not less than \$1,000,000 per accident/disease.
(3) Commercial General Liability	Commercial General Liability Insurance for any losses arising or pertaining to the hotel or its operation. Such insurance will be on an occurrence policy form and will include: <ul style="list-style-type: none"> • Premises and operations • Independent contractors • Host liquor liability • Acts of terrorism • Blanket contractual • Products and completed operations • Advertising injury • Employees as additional insureds • Broad form property damage 	Combined single limits of \$1,000,000 per each occurrence for bodily injury and property damage. If the general liability coverages contain a general aggregate limit, such limit will not be less than \$2,000,000 and it will apply in total to the hotel only.

	<ul style="list-style-type: none"> Personal injury incidental medical malpractice Severability of interest Innkeeper's and safe deposit box liability Explosion, collapse and underground coverage during any construction, renovation, upgrading and/or remodeling Third party discrimination and harassment liability. Garage keepers liability (if valet parking is offered) Third party/leased/non-hotel uses in, on or about the hotel premises 	
(4) Liquor Liability	Liquor Liability Insurance if alcohol is sold or if a liquor license is required by law	Combined single limits of bodily injury and property damage of not less than \$1,000,000 each occurrence.
(5) Business Auto Liability	Business Auto Liability Insurance including owned, leased, non-owned and hired vehicles	Combined single limits of bodily injury and property damage of not less than \$1,000,000 each occurrence.
(6) Umbrella and Excess Liability	Umbrella and Excess Liability based on the number of stories in the hotel building. Such coverage will apply in total to the hotel only by specific endorsement. Franchisor will have the right to require an increase in the amount of coverage based on the risk factors of the hotel.	<p>Element, Fairfield, Residence Inn, SpringHill Suites, StudioRes, and TownePlace Suites</p> <p>Amounts not less than: \$9,000,000 1 – 3 stories \$14,000,000 4 – 5 stories \$24,000,000 6 – 7 stories \$49,000,000 8 – 14 stories \$99,000,000 15 – 25 stories</p> <p>AC Hotels, Aloft, Courtyard, Four Points, & Moxy</p> <p>Amounts not less than: \$14,000,000 1 – 5 stories \$24,000,000 6 – 7 stories \$49,000,000 8 – 14 stories \$99,000,000 15 – 25 stories</p> <p>If the hotel is greater than 25 stories or 1000 rooms, franchisee may be required by franchisor to procure higher insurance coverages based on the size and risk factors of the hotel. Contact franchisor for the correct insurance limit.</p> <p>In excess of the liability insurance required under Employers Liability, Commercial General Liability, Liquor Liability, and Business Auto Liability.</p>
(7) Fidelity	Fidelity Insurance	Coverage or a fidelity bond in an amount not less than \$250,000 per occurrence.
(8) Employment Practices Liability	Employment Practices Liability Insurance on all hotel employees	Not less than \$1,000,000 per occurrence.
(9) Cyber and Other Insurance	Cyber and Other Insurance Franchisee may be required by franchisor to procure other insurance coverages based on the risk factors of the hotel and insurance that may be customarily carried on hotels similar to the hotel. Examples include cyber and privacy insurance and environmental insurance.	

2. Requirements

The following general insurance requirements must be satisfied:

Type	Requirement	Amount
(1) General Insurance	<p>All insurance under Commercial General Liability, Liquor Liability, Business Auto Liability, Umbrella and Excess Liability must by endorsement specifically name as unrestricted additional insureds Marriott International, Inc., and its affiliates and subsidiaries and their employees and agents.</p> <p>Business Interruption Insurance must name Marriott International, Inc. and its subsidiaries and affiliates as a loss payee as its interest may appear.</p> <p>All insurance must by endorsement specifically provide that the coverages will be primary and that any insurance carried by any additional insured or loss payee will be excess and non-contributory.</p> <p>All insurance outlined in this standard must contain a waiver of subrogation in favor of franchisor and such waiver shall be evidenced on the certificate of insurance.</p>	
(2) Deductibles or Self-Insured Retentions	Any deductibles or self-insured retentions maintained (excluding deductibles for high hazard risks in high hazard geological zones, such as earthquakes and windstorm, which will be as required by the insurance carrier).	Will not exceed \$100,000, or such higher amount as may be approved in advance by franchisor.
(3) Acceptable Insurance Company	All insurance must be placed with insurance companies reasonably acceptable to Marriott International and licensed to do business in the state where the hotel is located.	Such licensing requirement will not apply to those insurers providing Umbrella and Excess Liability above \$5,000,000.
(4) Insurance Certificates	<p>A certificate of insurance (or certified copy of such insurance policy if requested) evidencing the coverages required by this Standard must be provided to franchisor.</p> <p>Renewal certificates of insurance (of certified copies of such insurance policy if requested) must be delivered to franchisor not less than ten (10) days prior to their respective inception dates.</p> <p>All certificates of insurance will endeavor to contain an endorsement that policies will not be canceled, non-renewed, or reduced without at least thirty (30) days prior notification to franchisor.</p>	
(5) Blanket Insurance	All insurance required may be effected under policies of blanket insurance that cover properties other than the hotel so long as such blanked insurance fulfills the requirements of this Standard.	

Additional Insured/Loss Payee Wording Must Be As Follows:

United States Hotels: Marriott International, Inc. and its affiliates and subsidiaries.

3. Compliance

Instructions to submit the hotel's insurance certificate for compliance can be found on the [Insurance Compliance](#) page.

Direct questions about this standard to:

[Franchise Insurance](#)

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