

Hotel Business®

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How Hoteliers Can Move Forward After a Natural Disaster

NATIONAL REPORT—Areas hit hard by hurricanes, earthquakes and other natural disasters may face weeks or, more likely, months of recovery and rebuilding efforts. There's much to be done and without expert advice, the first steps forward in the aftermath can be daunting. Here are some tips from law firms across the U.S. on what to do after a natural disaster:

Assess the Impact

"When a hotel company or hotelier reaches out for assistance after a catastrophic event, the first need is to gain an initial understanding of the degree to which they have been impacted so appropriate notice may be made to all relevant insurers or business partners," said Eric Ruzicka, a commercial litigator who specializes in the area of construction and real estate litigation, and a partner at Dorsey & Whitney in Minneapolis. "Immediate steps should be put in place to track the impact of the event as well. This is followed up with a more thorough review to ensure the full scope of the impact is understood, both from a physical and business impact perspective. Some

impacts are often not fully understood until well after the initial event. Throughout this process we work with our client to develop a communication plan to ensure consistent communication with all stake holders.”

Document Everything

Immediately after a natural disaster, properties should “document everything,” said Jason Wolf, partner at Koch Parafinczuk Wolf Susen, a Fort Lauderdale, FL-based law firm. This includes taking pictures of damage, repairs—everything. Pictures should be saved in various forms as well.

“It is imperative to document the before and after condition of property,” he said. “Get receipts. Even if you just pay cash to a guy in a truck to remove debris, get a written receipt. A written receipt on a piece of paper, with basic contact information will go a long way in helping you prove that you spent certain money on repairs.”

Details Matter

When submitting a claim, pay close attention to detail. “Do not overreach,” said R. Hugh Lumpkin, managing shareholder at Ver Ploeg & Lumpkin, an insurance law firm located in Miami. “Exaggerating a claim may result in the loss of the entire claim.” Also, keep a single point of contact with the insurer.

Most importantly, “Use common sense,” Wolf said, especially with regard to any companies looking to make a quick buck out of the disaster.

Go Beyond Insurance

“Recovery from the events like those recently experienced in Texas, Florida, Puerto Rico, the U.S. Virgin Islands and throughout the region will not be realized for many years. It will also not be achieved solely through insurance programs,” said Ruzicka. “The entire region will need to consider all funding sources available and will need to creatively consider funding options not previously utilized. Public-private partnership models will be instrumental in the rebuilding process, particularly as it relates to significant infrastructure projects.”

Corris Little and CJ Arlotta contributed to this article.