Broker tools

KINETIC

# A broker's guide to selling workers' compensation to hotels

Proactively grow your book of business with safety-focused workers' compensation for hotel clients.

# Why this playbook?

The hotel industry offers a $218 million opportunity for workers' compensation brokers in NCCI states. With premiums averaging $158,457 per policy[1]. California offers an additional $330 million[2]. Securing even a small foothold can grow your book significantly.

**$218M**
opportunity in the hotel industry in NCCI states

Housekeeping departments drive most workers' comp claims, largely due to preventable injuries like strains, sprains, and repetitive motion injuries. With the right safety strategies, these risks can be mitigated, making hotels a prime industry for brokers offering proactive, results-driven workers' compensation solutions.

# Is this playbook for you?

This playbook is designed for:

- **Brokers** expanding into the hotel vertical.
- **Agencies** developing niche workers' compensation specialization.
- **Kinetic partners** using innovative safety technology to build their book.

If your goals include:

- Retaining safety-conscious clients despite a soft workers' comp market.
- Expanding your pipeline with specialized offerings.
- Building a reputation as a trusted advisor in hospitality.

Then this playbook will give you the tools, strategies, and insights to succeed.

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[1] NCCI Data from Rate Filing Reports (2017 - 2019). Fully Developed. For policies greater than $50,000 in premium.
[2] WCIRB Data (2018-2022). Not fully developed.

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# The opportunity and the challenge

Hotels are under pressure from rising labor costs, inflation, and operational challenges, all squeezing their profit margins. To stand out, brokers must go beyond competitive pricing and offer specialized expertise and solutions that tackle their unique workers' compensation challenges head on.

Step 1

# Build expertise in the industry

Understand the specific challenges hotels face and tailor solutions to their operations, so you can move from being just another broker to becoming a trusted advisor.

## Use industry data to build credibility

- **39,291** total claim count with an average claim cost of **$8,125.**[1] Claim cost jumps to **$15,739** in California.[2]
- **$32,470** average indemnity claim costs in NCCI states[1] and **$35,217** in California.[2]
- **11 days** median number of lost days per injury in hotels.[3]

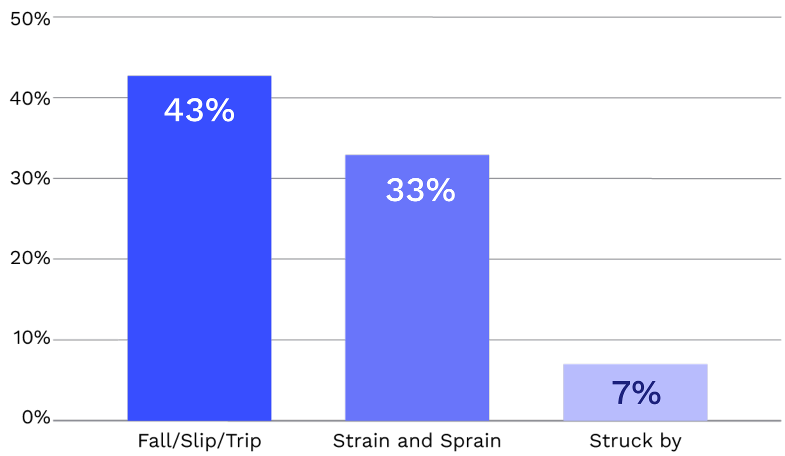
**$32,470**

Average indemnity claim cost

**11 days**

Median number of lost days per injury in hotels

Top three losses by cause ($)[1]




## Understand hotel-specific challenges

- **Diverse workforce:** Diverse physically demanding roles require tailored safety strategies.
- **Varied operations:** Hotels range from boutiques to roadside motels, each bringing unique risks.
- **Seasonality:** Injury risks rise during peak periods. Peaks vary by geography and niche.
- **Brand-focused operations:** Every employee contributes to the guest experience. Safety solutions must align with hotel aesthetics and operations.
- **High turnover:** Creates safety training gaps.
- **Language barriers:** Non-English-speaking staff need accessible training.

**Pro Tip**

When reviewing your client's data, focus on those with high strains and sprain injuries or significant indemnity costs–these clients benefit most from proactive, tech-driven solutions.

[3] U.S. Bureau of Labor Statistics - Table R65, 2021-2022, Accessed January 16, 2025

Step 2

# Understand the stakeholders

Engage with all stakeholders who will impact the workers' compensation conversation and will use value-added services. Focus especially on departments who will actually the technology day-to-day.

Here's your playbook:

## Map the stakeholder ecosystem

- **Owner:** Prioritizes profitability, regulatory compliance, and long-term savings.
- **General manager:** Focused on operational efficiency and cost management.
- **HR manager:** Concerned with employee well-being, compliance, and reducing claims frequency.
- **Housekeeping manager:** Need tools to maintain a safe work environment and compliance with safety standards.
- **Restaurant managers:** Care about employees and food safety standards.

## Align with their KPIs

- Present to **Owners** how our solutions drive down long-term costs, reduce their ex-mod, and align with profitability goals.
- Show **General managers** how Kinetic reduces injuries, keeping employees on the job.
- Demonstrate to **HR managers** how proactive safety measures lower injury rates and claims costs.
- Present to **Housekeeping managers** how Kinetic addresses strain and sprain injuries, minimizing absenteeism, and protecting workers.
- Highlight to **Restaurant managers** how our solutions proactively prevent kitchen risks to keep the team working.

## Understand key workforce risks

- **Housekeepers**: Most frequently injured due to repetitive motion, slips and trips, and strains and sprains.
- **Food and beverage:** Unique source of risk from cuts, burns, and slips.
- **Landscaping and engineering:** High exposure to outdoor risks like equipment accidents.

Here's the thing about hotels: Depending on the size and complexity of the hotel, specific department stakeholders may have more impact. By building relationships at every level, quote conversations become easier, implementation resistance disappears, and deals actually close.

**Pro Tip**

Annual turnover in hospitality is 74%, according to the U.S. Bureau of Labor Statistics, with housekeeping hit hardest. As operators struggle to fill roles—retention depends on providing a safe, supportive work environment.

Step 3

# Target the right accounts

Focus on hotel clients that will benefit most from Kinetic's proactive solutions—accounts with high-risk roles, strong safety goals, and significant premium potential. Identifying these ideal accounts lays the groundwork for long-term success.

## Match the ideal hotel client profile

- **Class codes:**
    - 9044/9069 Casino Gambling - Hotel
    - 9052 Hotel - All Other Employees
    - 9050A Hotel - All Other Employees (CA)
    - 9050B Hotel - Front Desk, Retail Store, and Health Spa Employees (CA)
    - 9058 Hotel - Restaurant Employees
- **Premium size:** $50,000+
- **Safety focused:** Clients already prioritizing injury reduction, especially for musculoskeletal injuries (MSD), or seeking proactive loss control measures.
- **High-risk roles:** Workforce with significant representation in housekeeping or laundry roles. Aim for Food & Beverage representation between 10% and 25%.

## Ask the right questions

- Are pre-employment physicals used for high-risk roles?
- What percentage of your staff is in high-risk roles?
- Are there seasonal peaks?
- Do you have onsite management? What level?
- Do you have an active safety committee?
- What return-to-work initiatives are in place? How do you handle transitional duty?
- Are employees trained in safety protocols before starting work or are they expected to 'jump in'?
- How many rooms do your housekeepers clean daily?

### Pro Tip

The following benchmarks serve as guiding principles to evaluate their responses to key questions.

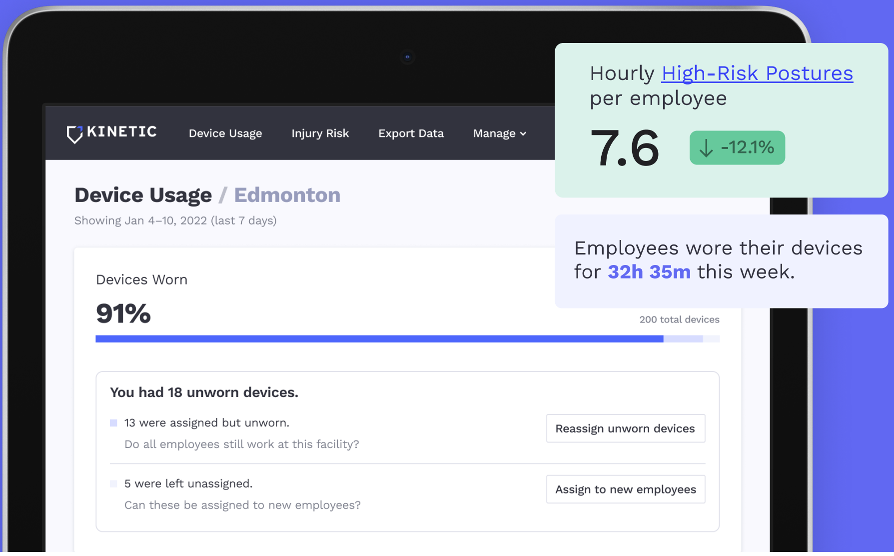
- Early training is crucial. 35% of employee injuries occur in the first year of employment.[4]
- Housekeeping cleaning quotas less than 15 rooms per day can significantly lower injury rates.[5]
- Traveling between buildings or floors, along with fatigue and overexertion during peak periods, can significantly increase injury risk.

[4] U.S. Bureau of Labor Statistics - Nonfatal injury and illness by Age of Worker, DART Cases, 2021-2022, Accessed January 16, 2025 via NSC Injury Facts

[5] Health and working conditions of hotel guest room attendants in Las Vegas, University of California at San Francisco, June 15, 2002

Step 4

# Differentiate your offering




In a soft market, differentiation is key. Educate your clients on the value of what could be with services that impact losses. With Kinetic, you can offer:

✓ **Proactive technology:**

- Wearable devices reduce strain and sprain injuries by 60%.
- A tech-driven, Rapid Return-To-Work program that cuts lost work time on claims by 55%.

✓ **Specialized support:**

- Industry-specific underwriting and AI-driven loss control tailored for hotels.
- Active claims management that pairs in-person expertise with AI speed.

✓ **Measurable results:**

- **22%** reduction in claims costs.
- **13%** lower premium rates.

## Here's exactly how to pivot your approach:

- **Lead with risk mitigation:** Show clients how Kinetic's tech-driven workers' compensation helps reduce risk at every step, from injury prevention to claims resolution.
- **Connect to brand value:** Hotels thrive on their reputation. Emphasize how Kinetic can position them as leaders in workplace safety, enhancing employee satisfaction and retention.
- **Highlight long-term savings:** Restructure your delivery away from loss mitigation to loss prevention. Today's injury prevention leads to improved ex-mod scores, lower future premiums, and performance-based dividends.

"Kinetic adapted their service to the way we do business, making a complex process simple and achievable."

**Director of HR, Luxury Hotel**

Napa, CA
Bound premium: $760,091

22%

Reduction in claims costs

13%

Lower premium rates

# Resources

→ **Hotel Appetite Guide**

→ **Kinetic Broker Resources Page**

# The Path to Success

By combining industry expertise, tailored solutions, and proven results, brokers can confidently expand into the hotel industry, offering clients unmatched safety and savings.

Ready to take the next step? **Contact us** and let's work together to make hotels your next big win.

KINETIC

# About us

At Kinetic, we're transforming workplace safety and workers' compensation with innovative tools that empower you to stay ahead of risks. Our technology helps you proactively assess hazards, address issues swiftly, and get your team back to work safely.

**www.kineticcomp.com**