

Five westernmost provinces getting HIP



Members of the HED team at the BC Hospitality Industry Conference. Standing: Justin Friesen and Grant Ostrir. Seated: Patrick Lien and Scott Stewart.

By Justin Friesen, HED

The HED Hospitality Insurance Program, which started a year ago with the Manitoba, Saskatchewan and Alberta hotel associations, recently expanded into British Columbia and is now expanding into Ontario.

In response to many requests from the hospitality industry, the Ontario Restaurant Hotel and Motel Association (ORHMA) had been searching for a Commercial Insurance Program that offered true value for its members. After becoming familiar with what had already become a very successful commercial “protected self-insurance” program (PSIP) for hospitality members located in the western provinces, the ORHMA made a decision to enter into a new partnership.

As of October 2009, ORHMA has partnered with the Manitoba Hotel Association (MHA), Saskatchewan Hotel & Hospitality Association (SHHA), Alberta Hotel & Lodging Association (AHLA) British Columbia Hotel Association (BCHA) and HED Insurance and Risk Services

(HED), a major Canadian firm that has specialized in association “Protected Self-Insurance” programs since 1978.

Previous to this partnership, the MHA offered an independent program since 2004 and the AHLA since 2005. As of December 1, 2008, the MHA and AHLA partnered with the SHHA. In April 2009, the BCHA joined the program and recently the program has expanded participation eligibility to members of the ORHMA.

Collectively, these five associations have formed the Hospitality Insurance Program (HIP), a commercial program that provides insured members a level of ownership that is not attainable through the traditional insurance marketplace.

As of November 1, 2009, over 1000 properties are insured through the Program which generates over \$15,000,000 in annualized premium. It is anticipated that the recent expansion into British Columbia and Ontario will generate substantial growth for the Program. The HIP has already grown to become the largest and most successful hospitality insurance program in Canada.

Insurance & Risk Services

HED Insurance and Risk Services (HED) implemented what have already become very successful Protected Self-Insurance Programs for hospitality members in the western provinces and also administers programs for various other associations and buying groups such as Sobeys of Canada, the Canadian Veterinary Medical Association, the Canadian Rental Association, and the Association of Manitoba Municipalities. As opposed to traditional insurance brokers, HED provides an array of spe-

cialized administrative services such as Underwriting, risk management and loss prevention, and claims handling; all of which are integral to the operation of a Protected Self-Insurance Program.

How the program works

The new Hospitality Insurance Program functions as a commercial “Protected Self-Insurance” Program (PSIP) and is owned by the hospitality associations mentioned above and administered by HED. The program has a significant self-insurance component; however, insured members are always provided with complete protection. Excess insurance coverage is provided for amounts of claims above a pre-determined threshold and all claims exceeding the annual self-insurance fund which is held by HED’s fully-owned subsidiary; Securican General Insurance Company. The fund can never be in a deficit position, nor can there be a retroactive assessment of premium through this program. The program offers a wide range of comprehensive property and liability coverages and wordings that are designed for the hospitality lodging industry.

Benefits of the program

Participation in the new Hospitality Insurance Program provides members with the following benefits:

- Immediate significant savings off present premiums;
- Potential for year-end returns of premium;
- Full coverage reviews and access to a comprehensive blanket limit policy;
- Long-term rate stability;
- Loss prevention and risk management assistance.

For more information respecting the Program, contact: Justin Friesen, AVP, Commercial Sales & Service, HED Insurance and Risk Services. Tel. 800-665-8990 ext. 7211. E-mail: jfriesen@hedinc.com.