



Innkeeper's Liability for Loss to Guest's Property *When is the Hotel Responsible?*

Under common law, an innkeeper or hotelier was liable for loss or damage to guest's property for the full value, unless the loss was caused by an act of nature (hurricanes, tornadoes, etc.), civil unrest, or the fault of the guest. Today this general rule still exists, but each state has modified the common law by enacting statutes that limit the hotel's liability, provided the hotel complies with the statutory requirements. Although amounts vary from state to state, liability ordinarily is limited to a specific figure, anywhere from \$250 to \$5,000.

Hotels typically post conspicuous notices indicating that valuables worth more than a certain amount (e.g., \$250 or \$500) must be deposited in the hotel safe in order to be covered for any loss. (Room safes are generally recommended only if they contain digital keypads, and the guest assumes all responsibility for getting into the safe and keeping the combination confidential.)

Two states have been randomly selected to provide examples of these statutes. The Rhode Island statute states that if the hotel provides a safe for depositing money, jewelry, watches, and the like, and notifies guests by posting a conspicuous notice to that effect, and guests fail to deposit their valuables in the safe, the hotel is not liable for any loss to the valuables. It goes on to add that the hotel is not obligated to accept property for safekeeping that exceeds \$500 in value. If a guest deposits property with a value exceeding \$500 in the safe, the hotel is not responsible for loss to this property for more than \$500, unless there is a special written agreement with the hotel for a greater amount.

The statute also indicates that the hotel is not responsible for loss of wearing apparel or merchandise that occurs through no fault of the hotel. Nor is the hotel responsible if the articles were not in the guest's room when lost or stolen, unless the property was entrusted to the hotel for safekeeping by written agreement with the hotel.



Another example, the New Mexico statute, states that the hotel is liable to its guests for loss of their property that is caused by the theft or negligence of the hotel or its staff, up to a limit of \$1,000. However, if the hotel provides a suitable safe for safekeeping of money, jewelry, or other valuables, and notifies guests by posting a printed notice in hotel rooms, and guests fail to deposit their valuables in the safe, the hotel will not be liable.

Although a hotel's liability is limited by statute, the limitation applies only if the hotel has followed the requirements of the statute concerning conspicuously posting notice of the availability of safes, etc. In the situation where those requirements are not followed, the limitation would not apply and the hotel could be responsible for the full value of the stolen or damaged property.

Since the statutes vary by state, it is important that hotel management is familiar with the law applying in their state as well as any updates to the law. For those interested, a website is available that contains descriptions of the various state statutes - www.nsui.com/pdf/innkeeper_statutes_manual.pdf

Insurance is available for innkeeper's liability through various insurance agencies and brokerages. For additional information, contact your agent or broker.