



INSURANCE CHECKLIST – FRANCHISE HOTELS

INSURANCE REQUIRED DURING OPERATIONS – HOTELS OUTSIDE U.S.A.

Location Name (including Brand) & Facility ID # _____

Full Address of Location _____

REQUIREMENTS	COMPLIANT		
	YES	NO	N/A
PUBLIC LIABILITY			
▪ Hotel <u>must</u> participate in Hilton Worldwide’s Global Program			
AUTO/MOTOR LIABILITY			
▪ Liability insurance in compliance with local law/regulations			
▪ Limit – as required by local law subject to a USD \$25,000 minimum			
OCCUPATIONAL INJURY SCHEME			
▪ Occupational Injury Scheme in compliance with local law/regulations			
▪ Employers Liability insurance			
▪ USD \$1,000,000 per occurrence or such limits as required by local law or custom			
COMMERCIAL PROPERTY			
▪ Building insured at 100% replacement cost			
▪ Contents insured at 100% replacement cost			
▪ Special/All Risks insurance form			
▪ Windstorm insurance included			
▪ Building ordinance insurance included			
▪ Flood insurance included			
▪ Earthquake insurance included			
▪ Terrorism insurance included			
BUSINESS INTERRUPTION			
▪ Business income limit adequate to cover full recovery of the net profits and continuing expenses of the Hotel (including rental income) for a 12 month period			
▪ Continuing expenses specifically include license fees and/or other fees payable to Brand			
▪ Terrorism insurance included			
BOILER & MACHINERY			
▪ Broad form insurance included at 100% replacement value (including boilers, air conditioning systems, refrigeration and heating apparatus, pressure vessels and pressure pipes)			
▪ Insurance includes Business Interruption			



**HILTON WORLDWIDE HOLDINGS INC. (“HILTON”)
BRAND STANDARD SUMMARY**

ALL HOTEL BRANDS

**(CANOPY, CONRAD, CURIO, DOUBLETREE, EMBASSY SUITES, HAMPTON INN,
HILTON, HILTON GARDEN INN, HOMEWOOD SUITES,
HOME 2 SUITES, LXR, MOTTO, TAPESTRY, TRU, WALDORF)**

DURING OPERATION – EXCLUDING UNITED STATES

COMPLIANCE STATEMENT

The following Insurance Requirements section is written with U.S. Dollars used for coverage types and minimum limits. The insurance obtained must meet or exceed these brand standards based on current currency conversions unless specifically indicated to the contrary in the Management or Franchise License Agreement (“Agreement”).

While there are no other insurance coverage requirements specified, other than those set forth below, it is recommended you consult with your insurance broker for other forms of insurance coverage which may be necessary or prudent to maintain for a hotel of similar size and location as well as for any limits currently listed as “Commensurate with Risk”.

INSURANCE COVERAGE	BRAND STANDARD MINIMUM REQUIRED LIMIT	NOTES
Public Liability (PL) & Excess Liability	Participation in Brand insurance program mandatory	<p>The Brand or its designee will, at Franchisee/Owner’s cost, provide upon the commencement of operation of the hotel and maintain at all times during the term of the Agreement, third party PL in such amounts as the Brand may deem necessary. Franchisee/Owner will be named as an additional insured.</p> <p>The Brand may elect to maintain all or part of such policies under an arrangement insuring one or more hotels operated by the Brand or its affiliates or subsidiaries, in which event the cost of such insurance to Franchisee/Owner will be allocated by the Brand on the same basis as other hotels of the Brand.</p> <p>If the Brand cannot obtain coverage, Brand will advise Franchisee/Owner of acceptable insurance requirements.</p>
Occupational Injury Scheme	As required by local law or regulation	Occupational Injury insurance, as required by local law or regulation, must be in force prior to the hiring of any employees.
Employer’s Liability (EL)	\$1M per occurrence or as required by local law.	The EL limits can be satisfied by any combination of Occupational Injury Scheme, EL and/or PL policies. However, the certificate of insurance must clearly indicate that PL insurance affords coverage for EL.
Property Owner’s Liability	Commensurate with Risk	Franchisee/Owner must procure and maintain Property Owners Public Liability policy fully protecting Franchisee/Owner for liability arising out of its ownership, possession and use of the hotel. Exposure will depend on the extent to which Franchisee/Owner is involved in day to day operation of the hotel. Hilton recommends that Franchisee/Owner consult with a licensed insurance broker to determine appropriate limits.
Auto Liability (AL)	The greater of US\$25,000 and limit required by local law	If hotel owns and operates vehicles, Franchisee/Owner must procure and maintain AL as required by local law or regulation subject to a US\$25,000 minimum
Watercraft Liability	Commensurate with Risk	Hilton recommends that Franchisee/Owner consult with a licensed insurance broker to determine appropriate limits.
Aircraft Liability	Commensurate with Risk	Hilton recommends that Franchisee/Owner consult with a licensed insurance broker to determine appropriate limits.

INSURANCE COVERAGE	BRAND STANDARD MINIMUM REQUIRED LIMIT	NOTES
Commercial Property Insurance	<p>Full Replacement Cost or limits sufficient to avoid co-insurance</p> <p>Earthquake and Flood (not less than 75% of the replacement cost or full probable maximum loss (PML) if in an earthquake and/or flood hazard area</p> <p>Windstorm – 75% Replacement Cost or PML</p>	<p>Property Damage on a special causes of loss policy form ("all-risks"), including terrorism (may be part of the liability policy or a separate policy) covering 100% of the insurable replacement value of the building and its contents. Such limit must be sufficient to avoid a co-insurance penalty, if applicable. The policy must include coverage for the peril of windstorm and for ordinance and law.</p> <p>This requirement for Earthquake and Flood only apply to hotels in an earthquake or flood hazard area. Please work with your insurance professional to determine whether or not your hotel is in a high hazard area.</p> <p>If a PML study is being used to determine appropriate earthquake, flood or wind limits, the PML must be based on the results of a professional study.</p>
Boiler & Machinery (Equipment Breakdown)	Full replacement cost of items	Broad form Boiler and Machinery insurance against loss from accidental damage to, or from the explosion of, boilers, air conditioning systems, including refrigeration and heating apparatus, pressure vessels and pressure pipes in an amount equal to 100% of the actual replacement value of such items (without taking into account any depreciation) plus full recovery of the net profits and continuing expenses of the hotel. Continuing expenses must specifically include royalty/license fees and other fees payable to the Brand.
Business Interruption	Full recovery of net profits and continuing expenses for 12 months	<p>Full recovery of the net profits and continuing expenses of the hotel (including rental value) for a 12 month period must be carried. Such limit must be sufficient to avoid a co-insurance penalty, if applicable.</p> <p>Continuing expenses must specifically include royalty/license fees and other fees payable to the Brand, its subsidiaries and affiliates. The policy must include coverage for all perils identified for Commercial Property Insurance and Boiler & Machinery above.</p> <p>Hilton Worldwide Holdings Inc. and its subsidiaries and affiliates now or hereafter existing must be included as an additional insured or loss payee as respects their interest in Business Interruption insurance.</p>
Terrorism	<p>Full replacement cost for property, contents and business interruption</p> <p>Third party liability if not covered in the PL policy</p>	Terrorism coverage shall be obtained and maintained for both first-party damage and-third party liability either stand-alone, through a government operated or mandated pool, or as part of the PL coverage and the Property Damage/Business Interruption coverage.
Crime	Commensurate with risk	<p>Please consult with a licensed insurance broker to determine appropriate limits. The Crime insurance must include coverage for the following risks and consider more than cash on hand:</p> <ul style="list-style-type: none"> • Employee Dishonesty • Forgery & Alteration • Money & Securities • Computer fraud • Safe Robbery • Counterfeit Paper

INSURANCE COVERAGE	BRAND STANDARD MINIMUM REQUIRED LIMIT	NOTES
General Requirements		<p>With the exception of Property, Boiler & Machinery and Occupational Injury, all policies obtained by Franchisee/Owner must name the Franchisee/Owner as named insured, and must name Hilton Worldwide Holdings Inc. and its subsidiaries and affiliates now or hereafter existing as additional insured including their employees, officers and directors.</p> <p>All policies of Franchisee/Owner must be endorsed to be primary insurance with no recourse to, or contribution from, any other similar insurance, if any, which may be carried by Hilton and its subsidiaries and affiliates. Evidence of such must be supplied to the Brand.</p> <p>Any deductibles or self-insured retentions above \$50,000 or 5% of the replacement cost of the hotel must be declared to and approved by Hilton's Risk Management Department, at: 7930 Jones Brand Drive, McLean, VA 22102; Email: Risk.Management@hilton.com.</p> <p>Requests by Franchisee/Owner to modify requirements for Earthquake, Flood, Windstorm or Terrorism may be submitted to Hilton Risk Management for consideration. Guidelines for such requests may be requested at Risk Management@hilton.com</p> <p>Franchisee/Owner must deliver or cause to be delivered to the Brand upon renewal or change in limits or coverage each of the following:</p> <ul style="list-style-type: none"> • Certificates of insurance or documentation acceptable to Hilton evidencing the insurance, including applicable endorsements. Where applicable each certificate must specifically identify and/or list: <div data-bbox="711 867 1503 1165" style="border: 1px solid black; padding: 5px;"> <ul style="list-style-type: none"> ▪ Insured location(s) by name, address and Facility ID number. ▪ Relevant policy numbers ▪ Relevant parties as being named additional insured (as specified above) ▪ Correct Hilton legal entity as certificate holder (Hilton Worldwide Holdings Inc., 7930 Jones Branch Dr., McLean, VA 22102) ▪ For Property, Contents and Business Interruption <ul style="list-style-type: none"> ○ Windstorm ○ Earthquake and/or Flood as appropriate ○ Terrorism (unless provided separately) </div> <ul style="list-style-type: none"> • A signed letter written or translated to English from the insurance agent or broker who placed the required insurance affirming that he or she has read and understood the insurance requirements contained in this Manual. This letter must specifically address whether the insurance the agent or broker has placed complies with the insurance requirements set forth in this Manual. • A signed checklist from the insurance agent or broker indicating whether there is coverage for each of the minimum requirements set forth in this Manual. <ul style="list-style-type: none"> • For samples of these letters and checklists, as well as sample certificates and evidence of property insurance, please request a copy from Hilton's Risk Management department at Risk.Management@hilton.com. • For notice purposes the certificate holder is "Hilton Worldwide Holdings, Inc., Attn: Risk Management, 7930 Jones Branch Drive, McLean, VA 22102" • All certificates or other documents evidencing insurance must be provided in English with currency indicated in U.S. dollars. Limits required in this standard may be satisfied in the local currency equivalent at the time the policy is purchased. • All evidence of insurance required herein including certificates must be sent, either by fax, email or upload, to Hilton's external partner as indicated on The Lobby's (OnQ) Risk Management page: Proof of Insurance (Certificates) <p>Hilton's external partner will review and audit each certificate of insurance in line with requirements as set out in this Manual.</p> <p>If Franchisee/Owner does not obtain or maintain the required insurance or policy limits, the Brand can (but is not obligated to) obtain and maintain the insurance or such portion of the insurance (Difference in Limits/"Difference in Conditions")</p>

needed to bring Franchisee/Owner's insurance in line with the requirements herein for Franchisee/Owner without first giving Franchisee/Owner notice. If the Brand does so, then Franchisee/Owner must immediately pay the Brand upon request, the premiums and costs incurred by Brand.

The Brand makes no representation, implied or express, that the foregoing insurance requirements are adequate to protect Franchisee/Owner.

The insurance coverage requirements contained in this Manual are only minimum requirements. These requirements do not relieve Franchisee/Owner from responsibility for any loss or claim for damages arising out of the Agreement. Franchisee/Owner must indemnify the Brand for any claim for damages due to failure of Franchisee/Owner or any Contractor, supplier or vendor doing business with Franchisee/Owner to maintain adequate insurance.

To ensure compliance, the Brand strongly recommends that Franchisee/Owner reproduce all insurance requirements in this Manual in full and submit it to a licensed agent or broker experienced in writing insurance for hotels.

Failure of the Brand to demand evidence of compliance with the insurance requirements in this Manual or failure of the Brand to identify a deficiency from evidence that is provided shall not be construed as a waiver of Franchisee/Owner's obligation to maintain such insurance.

At the request of the Brand, Franchisee/Owner must deliver a copy of each policy bearing certification of the insurance company underwriter(s), that the policy is a complete copy of the policy issued with all endorsements to the Brand.

The Brand may increase or decrease the minimum amount of insurance, require additional or different types of insurance, or otherwise change the requirements to make them comparable to the amount and kinds of insurance carried by other properties or hotels, taking into account the size and location of the hotel and changing circumstances in the law and insurance marketplace.

Franchisee/Owner must obtain and maintain any other insurance required by local or national statute or law.