

# starwood

risk management news



## Welcome

"At the risk of sounding corny, I thought I would share a few of my favorite sayings with you. During these uncertain and tumultuous times, I guess we should take inspiration wherever we can find it:

"Practice does not make perfect. Only practice of perfection makes perfect."

"You get the best out of others when you give the best of yourself."

"If you can verbalize your top goals without having to sit down and think about them, you're closer to reaching them than you think."

"None of us can go it alone. Create your team."

"There's never yet been a statue erected to someone who left well enough alone."

"If you don't know where you're going, how will you ever be able to recognize when you've arrived?"

"Treat problems as opportunities to be creative. As a result, your life will be vastly enriched."

"It's not the amount of time you devote, but what you devote to the time that counts."

"Have unconditional warm regard for all people at all times. Treat everyone with consideration and respect."

"People who don't find time for wellness will most likely find the time for illness."

"Worry is a misuse of the imagination."



"It's not how much we have, but how much we enjoy that makes happiness."

Food for thought. Good luck with the challenges ahead.

Tony Rodolakis  
VP, Risk Management

## MANAGING LITIGATION COSTS

A guest sustains what appears to be a minor injury while staying at your hotel. You and the hotel staff provide superior service to the guest. You complete a thorough investigation, timely report the incident to Gallagher Bassett Services and feel all is well. A few months later, much to your dismay, you receive a lawsuit. Even when you do everything right, there are instances when claims become litigated. When faced with defending claims, both general liability and workers' compensation, we must diligently work to control the costs.

Effective litigation strategy and control of the process is a team effort between Starwood, Gallagher Bassett Services and our defense counsel. We start with the selection of appropriate defense counsel so that we work with attorneys who understand our business and who are willing to work as a team. Will defense counsel take direction from the adjuster? Do they understand that business decisions must sometimes be made to economically settle a case? Do they have extensive trial experience in the event we decide to take a case to trial? Is their hourly billing rate acceptable and in line with other firms? Consideration is given to all these factors in retaining the best available counsel.

Additionally, our defense attorneys are required to submit a litigation management plan, outlining the anticipated cost of defending a case through trial. These costs are helpful in assessing whether we will continue to defend a case, or whether we need to make a business decision relative to settlement.

For instance, if we feel a claim could be settled for \$2,500, but would cost \$10,000 to defend, we may chose to settle the case. However, we look at each case on its own merits before we make any decisions of this nature. If we cannot successfully settle a case, the litigation management plan allows us, along with the adjuster, to evaluate the tasks necessary to defend the case, as well as look at the costs of each task. As a result, we know what to expect and can plan accordingly. Whether handling a guest liability or worker's compensation loss, our Gallagher Bassett adjuster ensures defense counsel stays on task and within budget.

How can you help with this process? Should you receive a lawsuit, immediately forward a copy to Cornett Lewers in White Plains and to Cameron Shirley in Phoenix, so that it can be assigned to counsel. If you are contacted by anyone indicating they have been assigned to the case and want to discuss it, contact Cameron Shirley or Joyce Campbell. We can advise whether we have assigned counsel. Once this is confirmed, we ask that you fully cooperate with them. We are also interested in your opinion of counsel, your observations on their handling of the case and any feedback you feel is pertinent. Remember, it's the team that makes this work.

By using experienced attorneys who want to become a part of our team, we can successfully monitor and control our legal costs. It's another example of managing claims so you can manage your business!

### Managing claims so you can manage your business!



JUSTICE

• by Alex Ertz, The Bodine Company

# Emergency Lighting

— What constitutes state-of-the-art?

As a vital part of a facility's life safety system, the emergency lighting system deserves careful consideration. Serious accidents or mishaps could occur if a building's occupants are left in darkness during a power failure. Many national, state, and local building codes, including the National Electrical Code® (NFPA 70), the Life Safety Code® (NFPA 101), the NFPA 5000 Building Construction and

Safety Code, and the Occupational Safety and Health Act (OSHA), require reliable and sufficient emergency illumination for commercial, industrial, and institutional buildings in the United States. In the event of an emergency situation requiring building evacuation, emergency lighting guides occupants along a path of egress, deters injury, and aids in a smooth, quick exit to safety.

### Codes:

Applicable Codes / References for the information above:  
Building Construction and Safety Code—NFPA 5000, Means of Egress, Section 11.9 (2003)  
Life Safety Code®—NFPA 101, Means of Egress, Sections 7.8-7.9 (2000)  
National Electrical Code®—NFPA 70, Article 700, Emergency Systems (2002)

OSHA Standards—Subpart S, Electrical, 1910.308, Special Systems ([www.osha.gov](http://www.osha.gov))  
UL 924—Emergency Lighting and Power Equipment, Eighth Edition  
Local Codes—Contact Authority Having Jurisdiction (AHJ)

by Alex Ertz, (reprint from NEC Digest)

### Guidelines:

- 1. Minimum Of 90 Minutes:** Emergency illumination is required throughout the path of egress. Stairs, aisles, corridors, ramps, and passage ways leading to safety (including the portion of the path of egress outside the building that leads to a public way) must be illuminated continuously for a minimum of 90 minutes.
- 2. Transfer Within 10 Seconds:** Emergency lighting transfer must be automatic (within 10 seconds) in the event of failure of the normal means of egress illumination.
- 3. Not Less Than Average Of 1 Footcandle:** Emergency lighting systems must provide initial illumination that is not less than an average of 1 footcandle (10 lux) and that is, at any point, a minimum of 0.1 footcandle (1 lux) measured along the egress path at floor level. Illumination levels are permitted

- to decline to not less than 60% of initial emergency illumination by the end of the 90-minute period.
- 4. Illumination Ratio of 40-to-1:** A maximum-to-minimum illumination uniformity ratio of 40-to-1 cannot be exceeded in order to minimize dark-to-bright spots along the path of egress.
  - 5. Periodic Testing:** Codes and regulations require periodic testing, visual inspections, and written records of test results for all emergency lighting equipment. Maintenance personnel should test emergency lighting operation every 30 days for 30 seconds and conduct a full 90-minute test once a year on battery-operated systems.
  - 6. Know The Local Codes:** Know the local codes that are applicable to your area. Special conditions may apply to certain types of facilities and occupancies. Consult your local building officials.

# OSAC

overseas security advisory council  
by Nelson Marin

Starwood Hotels and Resorts Worldwide is just that with more than 750 properties in more than 80 countries. The North American Community has four Regional Loss Prevention Managers that work directly with the hotels to help ensure safety and security best practices are being adhered to. But what about the other communities? One proactive organization to which Starwood belongs is the Overseas Security Advisory Council (OSAC) <http://www.ds-osac.org>. The OSAC was established in 1985 by the U.S. Department of State to foster the exchange of security related information between the U.S. Government and American private sector operating abroad. Administered by the Bureau of Diplomatic Security, OSAC has developed into an enormously successful joint venture for effective security cooperation with membership of over 2,100 private sector organizations.

Nelson Marin, CPP, CLSD, Area Security Manager, Starwood Hotels & Resorts with Starwood's Luxury Collection, in Venice, Italy is a member of the OSAC's Country Council Italy. Nelson traveled to Washington, D.C. in November 2002 to attend the 17th Annual Briefing of the Overseas Security Advisory Council.

**"The events of the past 14 months have brought painfully home that our world is still dangerous... and that is why we need OSAC."**

Secretary of State Colin Powell and Homeland Security Secretary Tom Ridge both addressed the group. Colin Powell stated that, "The events of the past 14 months have brought painfully home that our world is still dangerous, for private Americans as well as American officials, and that is why we need OSAC."

Following the OSAC meeting was the 6th Transnational Crime Seminar, on Global Transportation Security. Corporate security representatives had identified this year's topic as a critical security issue facing the American private sector. Various transportation sectors addressed current concerns, discussed future trends, and shared best practices.