

# RISK IN FOCUS



## HOSPITALITY

Preventing Crime in Hospitality

# Introduction

Crime impacts businesses across various industries, but because hospitality is a consumer-facing, customer service-focused industry, internal and external criminal activity has a ripple effect. As with other businesses and industries, hospitality can also be affected by crimes such as assault, fraud, property damage, or even cyber, and it has the highest incidents of theft<sup>1</sup> of any industry other than retail.

One of the most effective ways for companies to mitigate risks is by conducting a comprehensive risk assessment with a competent and qualified risk management and security professional. This evaluation provides a clear roadmap for protecting employees, property, and reputation, thereby reducing the impact of criminal activity on hospitality businesses.

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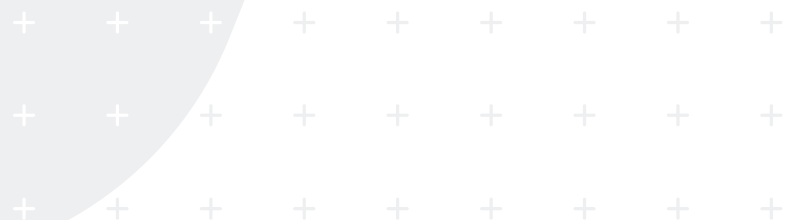
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The effects can ripple throughout a business, whether a crime is a single event or a recurring incident. Hospitality operators bear hard and soft costs due to criminal activity on their premises.

The hard costs typically involve a financial loss in some way. The losses result from the crime itself, such as theft and property damage, either to property or to a guest. It also comes from increased costs such as increasing security measures, increased lighting, improved interior and external access controls, alarm systems, security cameras, or hiring a third-party security vendor.

Soft costs are more difficult to determine, but their impact can be significant. Reports of criminal activity in a business or the area around it can damage its reputation. Guests are leery of traveling through high-crime areas or frequenting a business with a poor reputation.

Crime affects not only a business but also its guests and employees. While guests are less likely to go to a business affected by criminal activity, employees are less likely to continue working at such a business or apply or work there. Guests prefer to frequent restaurants and hotels where crime is minimal, and employees may appreciate working in a securely maintained location.



## Assess the Situation

Measures can be undertaken to mitigate potential criminal activity that can affect a hospitality business. The first step is to perform a thorough risk assessment of the entire property, inside and out, and detail areas of concern, such as:

- + Identifying hazards on the property from landscaping to lighting, backdoor security to installing panic buttons.
- + Reviewing incident trends on the property, in the neighborhood, and across the industry.
- + Analyzing protocols for procedures like cash handling, closing duties, employee training, and vendor services.

In helping to assess risk, businesses should consider utilizing outside resources as well, including:

- + An insurance company that can advise on risk assessment standards.
- + Local police for advice on criminal activity and trends in the neighborhood.
- + Neighborhood associations can help provide a unique insight into the neighborhood.

Reaching out to the community and professional organizations will help understand the current situation and create relationships that strengthen security.

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## Develop a Plan



Understanding where security vulnerabilities lie provides the data necessary to develop a corrective action plan, outlining specific steps to take and how to resolve issues of concern regarding property, guests, and employees, as well as procedures and protocols. It can also inform about which problems can be fixed quickly and immediately and which areas require a more in-depth, long-term solution.

This plan aims to mitigate security deficiencies and implement standards and protocols that ensure compliance with the plan. Staff and stakeholders must be educated about all safety measures and continuously informed of updates.

**Easy fixes can be undertaken immediately.**

**Look to issues that include:**

- + Ensuring all exterior doors lock
- + Replacing standard keys with keypads or key card readers
- + Installing full-coverage, unobstructed video surveillance
- + Instituting background checks on manager candidates
- + Reviewing current third-party vendor contracts for:
  - Insurance
  - Employee background checks

- + Establishing a vendor qualification process
- + Updating cash management procedures

While many of the security measures overlap with restaurants and hotels, **there are a few measures hotels should also consider, including:**

- + Check IDs of guests with lost key cards
- + Room safes are securely fastened to walls
- + Exterior access controls including primary and perimeter doors are in proper working order and function properly
- + Ensure that exterior lighting is in proper working order and functions properly

Employees are a business' critical weapon against crime from internal and external threats. Institute mandatory training for new hires and continuing training for staff. Ongoing training is an opportunity to reinforce existing security guidelines and provide updates to new measures. Encourage employees to speak out when something isn't right, without fear of retaliation or retribution, whether the situation involves something on the property, with a guest, or with a fellow employee. Providing an anonymous reporting protocol helps employees feel safe coming forward.

## Report Incidents

Part of a crime prevention plan should be to report when a crime has been detected. Mitigation is part of prevention, so reporting when a crime has occurred can mitigate issues and concerns with authorities, guests, employees, and insurance companies.

Even after notifying the insurance carrier, remain in communication with them. They will be conducting investigations and will want up-to-date information and to be apprised when situations change.

## Video Surveillance Best Practices

Surveillance cameras should be deployed as a part of an overall security program designed after a careful review and analysis of the security needs and security threat assessment of the premises. They should be subject to management and legal review.

- + Security cameras should be installed strategically and as part of a comprehensive security assessment.
- + Consider virtual security guards.
- + Elevate cameras at least 8 feet off the ground.
- + Do not have cameras with audio, vocal recording needs consent.
- + Have enough storage to retain video for 60-90 days.
- + Use a qualified service vendor to ensure that cameras, monitoring, and recording equipment are inspected and maintained in order that they function properly at all times.



While the types of crimes affecting restaurants and hotels may be different and unique for each business, working to prevent crimes in the hospitality space can be executed with a similar strategy. By working with internal teams and external partners, hospitality brands can mitigate criminal activity to help ensure guests, employees, and properties are safe. This proactive approach can lead to a safer and more secure environment for all.





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## KEEP **READING**

**HOSPITALITY MARKETS IN FOCUS**

**INSURANCE INSIGHTS**

**HR INSIGHTS**

### SOURCES

<sup>1</sup> Uyer, Ozuzhan (2025, February). *Employee theft statistics for 2025*. Metrobi. <https://metrobi.com/blog/employee-theft-statistics-for-2025/>

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