

Hospitality Insights

Trends & Perspectives

Loss Costs in Workers' Comp and Liability



The average cost of a hotel worker's compensation claim is **\$9.5K**



As of 2023, the leisure and hospitality industries recovered all jobs lost in 2020 during the pandemic¹.

According to the U.S. Bureau of Labor Statistics (BLS), the leisure and hospitality sector is projected to account for one in every eight new jobs created between 2023 and 2033. This represents an estimated 822,700 new positions, making it the third-largest contributor to job growth among all major industry sectors.

In 2023, the same BLS report noted an incidence rate of 4.3 workplace injury and illness cases per 100 full-time equivalent (FTE) employees among leisure and hospitality workers—significantly higher than the private industry average of 3.1.

This elevated risk corresponds to an estimated potential loss exposure of approximately **\$33.6 million** annually, or **\$336 million** over the next 10-years, based on the average hotel worker's compensation claim cost of \$9,500¹.

The most common cause of worker injuries in hotels – Strains and Falls

Strains accounted for approximately 40% of total loss costs over the past five years, making them the leading contributor of workplace injury-related losses*.

Most strain-related injuries in the hotel industry are classified as Cumulative Trauma Injuries (CTIs)—conditions that develop gradually over time due to repeated physical stress on muscles, tendons and nerves. These injuries commonly result from factors such as repetitive tasks, excessive force, awkward or static body postures and improper body mechanics.

What's in it for you? Understanding CTIs can help prevent long-term injuries. By recognizing the risks early, hotels can take steps to protect their teams and create a safer workplace.



Repetitive Movements

Repetitive tasks like making beds, cleaning, lifting and pushing carts, put hotel workers at greater risk for injury over time. These activities require frequent use of the same muscles, increasing the chance of developing repetitive motion injuries (RMIs).

Key points:

- Using forceful upper limb movements in awkward or strained positions can lead to shoulder, arm and neck injuries.
- Performing excessive bodily movements and managing heavy workloads raise the risk of back injuries.
- Without proper training, ergonomic support and task rotation, these repetitive motions can lead to long-term musculoskeletal disorders, lost work time and costly claims.

Smart devices such as wearables can monitor posture and movement in real time, alerting employees when unsafe body mechanics are detected or when it's time to take a rest or stretch break.



Working in Small Spaces

Hotel workers perform tasks in small spaces, requiring them to work in uncomfortable or awkward positions—such as cleaning bathrooms, reaching under furniture, etc. These sustained postures increase the risk of strain injuries over time.

Key points:

- Research shows hotel housekeepers change their body position every three seconds while cleaning⁷. This constant physical strain makes it essential to
 - Use ergonomic tools and equipment
 - Provide proper training in safe body mechanics
 - Schedule regular breaks and rotate tasks
 - Design workspaces and tasks to minimize awkward postures

Adopting ergonomic practices and rotating job tasks can help lower these risks, supporting workers' long-term health and wellbeing.

*An analysis of Strain work comp claims was conducted across Zurich's hospitality customer base, using five years of historical data. The review included over 160 hospitality customers and focused on claims with a posted reserve, offering valuable insights into key loss drivers and trends across the industry.

Slips, Trips and Falls accounted for 27% of total loss costs over the past five year, making them the second leading contributor of workplace injury-related losses*.

Acute trauma from slips, trips and falls is one of the most common workplace injuries in the hotel industry. Every team member—whether in housekeeping, maintenance, food service or at the front desk—faces daily risks. Wet floors, cluttered walkways, poor lighting and carrying bulky items can all lead to dangerous falls.

What's in it for you? By staying alert to these hazards and taking simple preventive steps, we can help create a safer, more resilient workplace for everyone. Fall prevention isn't just a safety measure, it's an investment in our people and the future of hospitality.



Slippery surfaces

Housekeeping staff are particularly at risk because they frequently work in wet or slippery environments, such as bathrooms, kitchens or laundry facilities, where the likelihood of slipping is significantly increased.

Key points:

- Utilize long-handled mops, squeegees or other tools to avoid stepping into wet areas.
- Encourage the use of slip-resistant shoes for staff, especially for those working in kitchens or housekeeping.
- Look for tasks or areas where accidents happen most often. This helps you identify where your team is most at risk, so you can focus your safety efforts where they'll have the greatest impact.
- Environmental factors can also affect visibility and need to be considered to include mist, steam, condensation, dust clouds, etc.

Wearing slip-resistant footwear, promptly cleaning spills and using wet floor signs and non-slip mats are among the most effective preventive measures for reducing slip, trip and fall incidents in the workplace.



Obstructed line of sight

Tasks like carrying linens, pushing carts or handling bulky equipment can block your view, making it harder to spot obstacles. Recognizing this risk allows you to adjust work practices to help keep everyone safe.

Key points:

- Limit Load Size
 - Encourage staff to carry smaller, more manageable loads so they can see ahead and move safely.
- Use Carts Wisely
 - Choose carts that are the right size for the task and in good working condition.
 - Don't overload carts—keep items below eye level to maintain a clear line of sight.
 - Push rather than pull carts, when possible, as it provides better control and visibility.
- Plan Routes
 - Encourage staff to plan the safest path before moving bulky items.
 - Use less crowded hallways and avoid tight spaces when possible.

Create a culture where staff feel comfortable reporting hazards so they can be addressed promptly.

*An analysis of slip, trip, and fall work comp claims was conducted across Zurich's hospitality customer base, using five years of historical data. The review included over 160 hospitality customers and focused on claims with a posted reserve, offering valuable insights into key loss drivers and trends across the industry.

The average
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The Travel & Tourism market is projected to experience a significant increase in revenue in the coming years worldwide².

By the end of 2025, revenue in the Travel & Tourism market is estimated to reach US\$955.94 billion, with an expected annual growth rate of 3.91%, leading to a projected market volume of US\$1.11 trillion by 2029.

The Hotels segment represents the largest share of this market and is projected to generate US\$443.07 billion in revenue in 2025³.

With occupancy gains of approximately 0.2 percentage points per year, U.S. hotel occupancy is projected to reach 64.1% to 64.5% by 2029, assuming stable economic conditions³.

Considering an estimated 9 million hotel rooms in the U.S., this occupancy trend implies a potential annual loss exposure of approximately **\$83.5 billion**, based on an average hotel liability claim cost of \$14,500³.

The most common cause of liability claims in hotels – Slips, Trips and Falls

Slips, Trips and Falls accounted for 77% of total loss costs over the past five years, making them the leading contributor to liability-related losses*.

Slip, trip and fall incidents can occur in nearly any area of the property—from lobbies and hallways to guest rooms, restaurants and service areas.

While slip and fall incidents can happen throughout a hotel property, parking lots are among the most common locations where guests experience falls.

What's in it for you? By understanding the underlying risks and taking proactive prevention measures, hotels can significantly reduce the likelihood of these incidents. This not only helps protect guests and employees, but also reduces liability claims, controls costs and supports a safer, more welcoming environment.



Slippery surfaces

Risks due to weather exposure, poor drainage and potential surface hazards such as oil spots, potholes or ice.

Rain, snow and ice can quickly create slippery surfaces. Unlike indoor areas, parking lots can't be completely protected from the elements.

Key points:

- Drainage monitoring sensor systems can be used to detect and alert staff to areas with poor drainage or standing water, helping prevent slip and fall incidents before they occur.
- Use slip-resistant mats and surface treatments at entrances and slip-resistant coatings on walkways or high-traffic areas.
- Check parking areas routinely for surface damage, debris and lighting issues.

By proactively managing parking lot risks, hotels can protect their guests and uphold their commitment to safety and reliability.



Inadequate Lighting

Guests are often distracted or have limited visibility while managing suitcases, bags or children, making it easier to miss hazards.

Dim or uneven lighting can make it harder to see obstacles, uneven pavement or wet patches, especially at night or early morning.

Key points:

- Smart Lighting Systems, such as motion-activated or automated lighting, enhance visibility in parking lots, stairwells, and corridors—reducing slip, trip and fall risks associated with poor lighting and helping deter other safety hazards.
- Use clear signage to warn of any ongoing maintenance or hazards, and guide guests safely to entrances.

By prioritizing maintenance, clear signage and staff training, hotels create a safer environment for guests and protect their reputation.

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Emerging Risks – Top 2



Human Trafficking

As of 2023–2025, over **200 Civil lawsuits** have been filed against major hotel brands with settlements costing **\$500,000 – \$10M+ per case**⁴.

Human trafficking is a critical and growing concern in the hotel and leisure industry, as traffickers often exploit these venues to facilitate illegal activities due to their transient and private nature.

Hotels have been sued under the U.S. Trafficking Victims Protection Reauthorization Act (TVPRA) for allegedly ‘knowing or turning a blind eye’ to trafficking on their premises.

Key Risk Indicators (Red Flags)

- Guest Behavior
 - Paying in cash, avoiding contact, frequent requests for new towels/linens.
 - Guests refusing room cleaning or keeping “Do Not Disturb” signs on for extended periods.
 - Presence of multiple men visiting one room, often at odd hours.
- Victim Behavior
 - Appears fearful, submissive or coached when spoken to.
 - Lacks control over personal documents or money.
 - Accompanied by someone who speaks for them or is overly controlling.

Risks to the Business

Legal Liability: Civil and criminal penalties for knowingly allowing trafficking, e.g., under the U.S. Trafficking Victims Protection Act (TVPA). [Human Trafficking | Key Legislation](#)⁵

Reputational Damage: Negative media coverage can deter customers, investors and partners.

Loss of Business: Government contracts or certifications (e.g., ESG) may be revoked.

Employee Safety: Staff may be put at risk if traffickers become violent or aggressive.

Case Studies

On July 18, 2025, a Georgia motel was hit with a **\$40 million verdict** after a federal jury found it knowingly allowed a 16-year-old girl to be trafficked on its property for 40 days in 2019. The staff ignored clear signs of abuse, failed to alert law enforcement—even after being contacted by police—and had a known history of trafficking activity. The jury awarded **\$10 million in compensatory** and **\$30 million in punitive damages** to the survivor⁴.

Trafficking survivors have secured over **\$255 million in civil damages** and public settlements over the **past 18 years**—an average of **\$14 million annually**⁴.

This quarter-billion dollars in compensation represents not only a form of restorative justice, but also a clear signal to businesses—including those in the hotel and leisure industry—that failure to detect or prevent human trafficking can have serious financial consequences.



Cybersecurity Breaches

The average cost of a data breach in the hospitality sector is rising, with estimates reaching **\$3.86 million** in 2024, up from **\$3.62 million** the previous year⁶.

Cybersecurity risk in hotels is one of the most significant and fastest growing threats in the hospitality industry. As hotels increasingly rely on digital systems to manage operations, personalize guest experiences and process transactions, they become prime targets for cyber threat actors.

Cybersecurity breaches are among the most dangerous and costly risks facing the hotel and leisure industry today. In 2023, an alarming 31% of hospitality organizations experienced a data breach, underlining the growing urgency for improved cyber defenses⁸.

Across all industries, settlement costs vary significantly, ranging from \$500,000 to more than \$20 million per case, depending on the breach's scale, severity and legal context⁹.

Why is Hospitality Targeted?

- Hotels store extensive personal and payment information, making them attractive targets for cyber criminals and data theft.
- Frequent turnover for guests causes new data to be input into different systems, adding to the value of the data sets over time.
- Many hospitality businesses have outdated or legacy systems that don't always have the latest security features or vulnerability patches.
- Operational disruption can be detrimental to guest experience and threat actors understand the impact it can have on a business.
- The hospitality sector deals with and connects to many different locations, providers and third-party vendors. This complex network setup can make it difficult to appropriately defend every avenue for attack.

Case Studies

Omni Hotels

Omni Hotels & Resorts experienced a cyberattack in March 2024, leading to a nationwide systems outage affecting reservations, hotel room door locks and point of sale (POS) systems. The threat actors deployed ransomware and were able to exfiltrate email, addresses and names of about **3.5 million guests**⁹.

MGM Resorts

MGM Resorts experienced a cyberattack in 2023 that shut down its systems across the country. The attack was initiated by vishing through the IT desk. The threat actor called with specific "personal information" and requested a password change. After getting the password reset, they used admin rights to deploy ransomware to different servers, causing an estimated **\$100M in losses** due to recovery efforts⁹.

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