

Case Study

Starwood

Starwood Hotels & Resorts Worldwide, Inc. is one of the leading hotel and leisure companies in the world with approximately 900 properties in more than 95 countries and 155,000 employees at its owned and managed properties. In the lodging and vacation industry, Starwood epitomizes upscale, luxury brands, stylish décor and superior service.

Starwood risk management's primary objective is to manage the diverse risks and exposures that exist in the hospitality industry, and to obtain the broadest, most comprehensive and competitively priced insurance coverage. This requires Starwood to submit extensive risk and exposure information to underwriters. To add to this challenge, underwriters are demanding more information than ever before and requests for data often expand each year as new risks emerge and must be taken into account. Starwood required the ability to efficiently collect risk information, respond to underwriters' changing data requirements, and equitably allocate premium costs out to its portfolio of hotels.

In the past, Starwood relied on a manual, labor-intensive spreadsheet process to perform these risk management functions, but there was no way to effectively manage, analyze and report on risks, exposures and claims information on a global level. To improve this process, Starwood needed a flexible and comprehensive risk management information system (RMIS) that could easily adapt to the volatile needs of the insurance market and provide sophisticated data analysis and reporting capabilities. As a result, Starwood turned to Aon eSolutions and its market-leading RMIS solution, RiskConsole.

*Patricia Dillon Villarreal
Director, Risk Management
Starwood Hotels & Resorts Worldwide, Inc.*



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Aon eSolutions met with Starwood's risk management team to align RiskConsole to meet its specific business needs. Aon eSolutions customized RiskConsole so the system would collect and compile all requisite risk information from several data sources. Together, the companies developed specifications for custom-made RiskConsole modules, including an aviation module that tracked helipad exposure, a water craft module for hotels located near marinas, and a fuel storage module to track risks related to fuel tank contents, capacity, and construction.

With RiskConsole, Starwood now benefits from a centralized data repository, which captures the company's comprehensive risk, exposure, and claims information. The system receives data feeds from Starwood's third-party claims administrator, insurance companies, risk management intranet, and enterprise financial management system. It also compiles property risk information such as COPE, as well as payroll and job classifications for workers' compensation. RiskConsole enables Starwood to closely track risk management performance and communicate results to field professionals, hotel general managers, and upper management.

In regards to its insurance program, Starwood offers nine lines of coverage to its owned and managed hotels. Using a modified version of RiskConsole's policy module, Starwood tracks which hotels have signed up for the various programs and calculates premium allocations based on the hotel's specific risks, exposures, loss frequency, and claims severity.

In summary, with RiskConsole Starwood is now able to perform complete data collection, analysis, and reporting, which provides the company with a 360-view of its exposures. This risk intelligence has enabled Starwood's claims and risk management team to quantify the effectiveness of its workers' compensation safety and return to work programs, allowing the risk management team to easily communicate this data to senior management, thus ensuring continued support of the programs. In addition, Starwood is now equipped with the quality data and claim reports to respond to underwriter requests, and as a result, Starwood enjoys the industry's most competitive rates with the broadest terms and conditions. RiskConsole has truly enabled Starwood to unleash and benefit from the power of its data.