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GUESTS' PROPERTY COVERAGE UNDER THE COMMERCIAL CRIME POLICY

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I. INTRODUCTION

Coverage for losses involving a third party's property has been the subject of considerable analysis and discussion. There are three common ways in which the Commercial Crime Policy¹ can be endorsed to provide coverage for losses involving such property. These are: 1) adding an endorsement specifically providing coverage for clients' property; 2) adding an endorsement providing coverage for customers' property while held in a safe deposit box; and 3) adding an endorsement for guests' property while inside the premises of an inn, hotel, or similar place of lodging. This article explores the coverage that can be provided under the Commercial Crime Policy for liability for guests' property.

Going back to the Middle Ages, and even before that to Roman times, an innkeeper had the responsibility for, or was the insurer of, the property of its guests while the property was located within the inn, unless the loss or damage was caused by the negligence of the guest, by an act of God, or by public enemy. The innkeeper was held to the same level of responsibility for the loss or damage to the guest's property as if

¹ COMMERCIAL CRIME POLICY CR 00 23 05 06 (available from Insurance Services Office, Inc.).

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it were a bailee.² Today, every state in the United States has enacted one or more statutes imposing limits on the liability of innkeepers. For example, many state statutes exempt hotel owners from liability if the guest, after proper notice, fails to place his or her personal property in a hotel safe. In addition, case law has interpreted and determined the applicability and scope of such statutory limits and conditions placed on a hotel owner's liability for loss or damage to personal property belonging to an owner's guests.

II. ROLE OF INSURANCE

The predominant issue in providing insurance coverage for an innkeeper's liability for loss involving guest property concerns possession of the property; more specifically, who has the care, custody, and control of the guest property at the time of the loss. As an illustration, if a guest left the room, locked the door, and later returned to find the property was stolen, the innkeeper could be held liable for the loss of the guest's property because it would be considered as having had constructive care, custody, and control of the property by virtue of the property being in the room and unoccupied by the guest at the time of loss. Had the guest been in the room at time the property was taken, as a result of a robbery, the guest could be considered to have had care, custody, and control of the property.

Other common examples of ways in which an innkeeper could be considered to have custody and control of guests' property include the safekeeping of valuables and baggage and the possession of garments, whether in the possession of a bellhop or checked in a coat room.

For discussion purposes, it is helpful to trace the evolution of insurance coverage provided for loss of guests' property back to 1945, with the promulgation of the Innkeepers' Liability Policy by the National Bureau of Casualty Underwriters.³

² SHERRY, JOHN E. H., *THE LAWS OF INNKEEPERS* 3-7 (3d ed., John H. Sherry ed. 1993).

³ The National Bureau of Casualty Underwriters was a rating organization that predated the Insurance Services Office, Inc.

A. *Innkeepers' Liability Policy*

The Innkeepers' Liability Policy⁴ was a stand-alone policy designed to protect owners and operators of inns, hotels, motels, and other places of lodging in the event the owner or operator was held liable for loss involving personal property belonging to its guests. It provided coverage that was otherwise excluded in general liability policies through the exclusion for personal property in the care, custody, and control of the insured. The policy was written as crime coverage, although it was structured as a liability product. Under the terms of the policy, the company agreed to:

1. Pay on behalf of the insured all sums which the insured was legally obligated to pay by reason of liability for damages because of injury to, destruction of or loss of property belonging to a guest at the premises while the property was within the premises or in the possession of the insured.
2. Defend in his name and behalf any suit against the insured alleging such loss and seeking damages on account thereof, even if such suit was groundless, false or fraudulent; but the company also had the right to make such investigation, negotiation and settlement of any claim or suit as was deemed expedient by the company.
3. Pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of the policy; all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds; all costs taxed against the insured in any such suit; all expenses incurred by the company; and all interest accruing after entry of judgment until the company has paid, tendered or deposited in court such part of such judgment that did not exceed the limit of the company's liability thereon.

⁴ Innkeepers' Liability Policy (Sept. 1, 1945) (copy on file with authors).

Providing coverage for liability, with duty to defend language, the company stood in the shoes of the innkeeper and adjusted the claims brought by the innkeeper's guests, often directly with the guests themselves. The expenses covered under items 2 and 3 above were payable in addition to the policy's limit of liability.

Conditions of particular interest included the following: Limits of Liability; Notice of Loss, Claim or Suit; Assistance and Cooperation of the Insured; and Action Against Company.

Preprinted in the policy were the limits of liability that the company would pay under the policy. Loss of property of any one guest was limited to \$1,000, subject to an overall maximum aggregate limit of \$25,000 for all damage. Defense costs were paid outside policy limits.

Required written notice of loss could be given by or on behalf of the insured to the company or any of its authorized representatives as soon as practicable. If the occurrence of loss involved a violation of law, the police were also to be notified.

The insured was required to cooperate with the company in all matters pertaining to settlements or suits. The company reimbursed the insured for any expenses it incurred, such as attending hearings; however, loss of earnings was not reimbursed.

No action could lie against the company by the insured innkeeper unless, as a condition precedent, it had fully complied with all of the terms of the policy. Suits had to be brought no later than two years and one day after the amount of the insured's obligation to pay had been determined by judgment after trial or by written agreement among the insured, the claimant, and the company.

Exclusions contained in the policy applied to assumption of liability by the insured under any contract or agreement; losses below \$25.00; the insured's release of a person or organization from his or its legal liability; loss caused by the spilling or leaking of food or drink; loss to any motor vehicle or its equipment; loss to any property in the insured's custody or possession for laundering; and loss to any articles carried or held by guests as samples for sale or delivery after sale.

From 1945 to the 1980s, the provisions of the Innkeepers' Liability Policy essentially remained unchanged. However, during the process of policy simplification, the policy underwent its first major rewrite.

B. Liability For Guests' Property—Safe Deposit Box Coverage Form CR 00 12 and Liability For Guests' Property—Premises Coverage Form CR 00 13

In 1986, the Insurance Services Office, Inc.⁵ introduced simplified commercial crime forms.⁶ All crime coverages were converted into coverage forms, a modular format that was adaptable for writing coverage as a stand-alone crime policy or as part of the commercial package policy.

1. Liability For Guests' Property—Premises Coverage Form CR 00 13⁷

The Innkeepers' Liability Policy was re-named Liability For Guests' Property—Premises Coverage Form. Any type of business providing lodging facilities was eligible for this coverage form.

Under this form, the insurer agreed to pay those sums that the insured was legally obligated to pay as damages because of loss or destruction of, or damage to, covered property. The company also had the right and duty to defend any suit brought against the insured seeking damages that were payable under the coverage:

- a. Covered property was defined to mean any property, other than that specified as property not covered, belonging to the insured's guests while the property was in the insured's premises or in the insured's possession.

⁵ Hereinafter ISO.

⁶ Circular CR-85-2, Simplified Commercial Crime Forms Announced (ISO Feb. 8, 1985).

⁷ Liability For Guests' Property—Premises Coverage, Form CR 00 13 (ISO Jan. 1986)

- b. Property not covered included samples and articles carried or held for sale or delivery after sale; and any vehicle including its equipment and accessories and any property contained in or on the vehicle. An endorsement, Include Samples Or Articles Carried Or Held For Sale Or Delivery, was made available as hotels often have trade shows on the premises.
- c. Under the Coverage Extension, if the company provided a defense against a suit, it would pay, in addition to the limit of insurance:
 - (1) Reasonable expenses incurred by the insured at the company's request, the company's expenses, and costs charged against the insured;
 - (2) Interest on the full amount of any judgment that accrued after entry of judgment and before the company offered to pay or deposit in court that part of the judgment for which it was liable for under the coverage, and prejudgment interest awarded against the insured on that part of the judgment paid by the company;
 - (3) Actual loss of wages and salary (up to \$100 per day) because of required attendance by the insured at hearings or trials in connection with the suit; and

Premiums for appeal bonds required in the suit and bonds to release attachments, but without the duty to furnish them.

A "per occurrence" limit of insurance that was not tied into a specific dollar amount was adopted, replacing the \$25,000 aggregate limit of liability amount under the Innkeepers' Liability Policy, thus giving the insured the ability to purchase greater limits. Also, a "per guest" limit of insurance not tied into a specific dollar amount replaced the \$1,000 amount. Payments made did not reduce the limit of insurance as they did under the 1945 version. The Increase Limit Of Insurance Per Guest endorsement could be used to provide greater limits of coverage.

Several new exclusions were added to those contained in the 1945 version. These included acts committed by the insured or its partners, fire, governmental actions, inherent vice, war and similar actions, and nuclear, which was previously added by endorsement. Many of these exclusions were added to bring this coverage more in line with the exclusions applicable to other crime coverages.

Endorsements were made available to remove or modify certain exclusions, usually for an additional premium charge. These endorsements consisted of Include Damage from Food Or Liquid; Include Property In Custody Of Laundry Or Cleaner; and Include Fire Damage.

Finally, the exclusion for losses under \$25.00 dollars was removed, which meant that no type of deductible applied to losses under the coverage form.

Some additional conditions were added, including joint insured, non-cumulation of insurance, and territory, in order to track with other crime coverage forms.

2. Liability For Guests' Property—Safe Deposit Box Coverage Form CR 00 12⁸

This coverage form offered a narrower scope of coverage for guests' property than that offered by the Liability For Guests' Property—Premises Coverage Form, as it only covered such property while in a safe deposit box inside the insured's premises.

Under this form, the company agreed to pay those sums that the insured became legally obligated to pay as damages because of loss or destruction of, or damage to, covered property. The company also had the right and duty to defend any suit brought against the insured seeking damages that were payable under the coverage:

⁸ Liability For Guests' Property—Safe Deposit Box Coverage, Form CR 00 12 (ISO Jan. 1986).

- a. Covered property was defined to mean any property belonging to a guest while the property was in a safe deposit box in the premises.
- b. The Coverage Extension provision provided the same payments as discussed above under the Liability For Guests' Property—Premises Coverage Form.

Exclusions and conditions similar to those found in the Liability For Guests' Property—Premises Coverage Form, were included in this coverage form.

C. Guests' Property Endorsement CR 04 11

The 2000 revision to the Commercial Crime Program brought about perhaps the most significant changes to coverage. The two separate coverage forms, CR 00 12 Liability For Guests' Property—Safe Deposit Box Coverage Form and CR 00 13 Liability For Guests' Property—Premises Coverage Form, were combined into one insuring agreement with separate coverage grants. The Guests' Property Insuring Agreement CR 04 11 03 00 covered the following:⁹

1. Guests' Property—In Safe Deposit Boxes

Coverage applied to loss of or damage to guests' property for which the insured was legally liable while the property was in a safe deposit box inside the insured's premises.

2. Guests' Property—Inside The Premises

Coverage applied to loss of or damage to guests' property for which the insured is legally liable while the property was inside the insured's premises or was in its possession.

Guests' property coverage is commonly written in conjunction with other crime and fidelity coverages. The purpose behind the revision was to change the policy from a liability-based, duty-to-defend coverage to indemnity coverage in which the insured would be responsible for conducting its own defense of claims.

⁹ Guests' Property CR 04 11, Edition of 03 00.

As a result, the company's right and duty to defend the insured against suits was removed. If the insured were sued for refusing to pay for loss or damage to guests' property, and the insured had the company's written consent to defend against the suit, the company would pay for the insured's reasonable expenses in defending against the suit. These payments were in addition to the limit of insurance.

- An Ownership of Property; Interests Covered Condition was added, which replaced the standard Ownership Condition in the Commercial Crime Policy.¹⁰ Under this condition, property covered under the insuring agreement was limited to property belonging to the insured's guests while in the insured's safe deposit box, inside the insured's premises or in the insured's possession.
- The insurance provided was for the insured's benefit only. It provided no rights or benefits to any other person or organization, including the insured's guests. Any claim for loss that was covered under the insuring agreement had to be presented by the insured.

The addition of the Ownership of Property; Interests Covered Condition reinforced the first-party approach to coverage in that there were no rights afforded to any guest under this coverage and any claim for loss had to be presented by the insured.

The changes brought about by the revision to coverage also meant that policy conditions commonly associated with Crime and Fidelity coverage also extended to the Guests' Property coverage. This included, but was not limited to, Duties in the Event of Loss; Legal Action Against Us; Other Insurance and other conditions.

Other exclusions and conditions specific to Guest Property coverage were not substantively changed from prior versions of coverage.

¹⁰ See Liability for Guests' Property—Premises Coverage Form, CR 00 23 05 06 (ISO 1984) (available from ISO).

In 2007, the Guests' Property endorsement was revised to introduce a deductible provision as an underwriting tool for insurers to manage risk. All other provisions remained the same as in the 2000 version of the form.¹¹

III. DISCUSSION OF STATUTES LIMITING INNKEEPER LIABILITY FOR GUESTS' PROPERTY

Starting around the turn of the twentieth century, state legislatures began enacting statutes designed to limit innkeepers' exposure for loss or damage to guests' property, provided innkeepers complied with the rules of procedure set forth in the statutes. These statutes required innkeepers to maintain safes to protect guests' money, jewelry and other valuables; provide adequate notice to guests of the availability of safes; advise guests of the statutory limit of liability for each category of property; and follow procedures for setting an agreed limit of liability, above the statutory limit, with guests.¹²

A. *Notice Requirements*

All fifty states, as well as Puerto Rico and the District of Columbia, require that a hotel provide some form of notice regarding local laws governing innkeeper's liability for guest property.

Because providing a secure storage area for guests' valuables is one of the key factors limiting the innkeeper's liability, the availability of a safe or vault must be prominently featured within the notice. The manner in which the notice must be provided to the hotel guest varies by state statute, but generally contain conditions providing that the notice be printed in plain type and posted in conspicuous locations, such as near the register, public areas, or inside every guest room. Some states require attachment of the statute itself. In some states, compliance with the notice requirements must be established in order for the innkeeper to benefit from the limitation or elimination of liability for certain guest

¹¹ A complete copy of the Guests' Property endorsement is available from the ISO.

¹² See Appendix, Innkeepers' Liability—Guests' Property Statutory Survey.

property, whereas, in other states, a limit of liability will apply regardless of whether notice requirements in that state are met. In addition to notifying guests of the availability of a safe, several states require that the hotel include notice of what the hotel's liability is with regard to such items, whether deposited in the safe or not.

B. Receipt Requirements

In addition to providing notice of the conditions relating to the hotel's limited liability, several states require the hotel to furnish the guest with a receipt upon the guest's delivering of property to the innkeeper or his agents. Some state laws set forth that, if the hotel does not provide the guest with a receipt acknowledging the delivery of guest property, any limitation of liability for such property afforded by such law shall not apply. For instance, in Alabama, "[f]ailure of the hotel to provide such receipt to any guest who leaves valuables with the hotel for deposit in its safe depository shall remove the \$300 limitation of liability provided by this section."¹³

Many statutes provide not only that a receipt must be issued in order for the limit to apply, but also that the receipt must be printed in a particular format and type size and may be required to contain specified information, such as citation of or excerpted text from the statute mandating a limitation of liability. In Florida, for example, the innkeeper is not obligated to accept valuables from a guest for safekeeping. If the innkeeper chooses, however, to accept such guest property, and a loss occurs due to the fault or negligence of the operator, the limit of liability is \$1,000, if:

[T]he public lodging establishment gave a receipt of the property (stating the value) on a form which stated, in type large enough to be clearly noticeable, that the public lodging establishment was not liable for any loss exceeding \$1,000 and was only liable for that amount if the loss was the proximate result of fault or negligence of the operator.¹⁴

¹³ ALA. CODE § 34-15-13 (1959).

¹⁴ FLA. STAT. ANN. § 509.111 (1999).

As a result of the various statutory requirements, many institutions use pre-printed receipts drafted to ensure compliance with state law.

C. *Modification of Limits*

Many states provide that the prescribed statutory limits for certain types of property may be modified if agreed to in writing by the hotel and the guest. Hotels are not required to modify such limits; however, some statutes do require that the hotel inform the guest in writing that limits of liability may be adjusted, at the discretion of the operator, by special written agreement. Statutes allowing for the modification of limits often mandate requirements in order for the agreement to be executed properly. For instance, in New Hampshire, if a higher limit of liability for guest property delivered for safe deposit is to be agreed upon by the hotel and guest, the special contract must be in writing, "stating the kind and value of the property received and the kind and extent of the liability of the hotel keeper."¹⁵ The most common types of limits that may be modified by special agreement include those limits set for guest property that is placed under the direct care of the hotel through actual delivery of such property to a hotel employee, such as in the case of offering property for safe deposit.

D. *Intentional or Negligent Acts*

Generally, statutory limits do not appear to apply when the innkeeper or any of his or her employees or agents *intentionally* causes a loss to guest property. With respect to *negligent* acts on behalf of the hotel, treatment of the innkeeper's liability varies among jurisdictions. In some states, statutory limits do not appear to apply when the innkeeper or any of his or her agents negligently causes loss; however, several impose limits even when loss was caused through the negligence of the innkeeper. Indiana is one such state that maintains the limit for guest property deposited in a safe, providing as follows:

If a guest delivers property to the person in charge of the office for deposit in a safe, the hotel, apartment hotel, or inn and its manager or proprietor are not liable for loss or damage of the property sustained by the guest or other owner of the property in any amount exceeding six

¹⁵ N.H. REV. STAT. ANN. § 353:1 (1947).

hundred dollars (\$600), whether the loss or damage is occasioned by the negligence of the proprietor¹⁶

In Indiana, this same concept is applied to the liability limits on guest property other than that deposited in a safe; the limit applies *whether or not* the loss “is occasioned” by the negligence of the proprietor or his agents.¹⁷

Conversely, some states apply the rule that the hotel’s liability is limited or eliminated *unless* the loss to guest property is occasioned by the negligence of the proprietor or employees of the hotel. For instance, Mississippi sets forth maximum limits of liability for guest property with an exception, as follows:

[N]othing herein shall prevent any guest of any hotel or inn from recovering at common law the actual value of the contents of any trunk, valise, box or package which, after being given into the care or custody of the hotel or innkeeper or placed in the rooms of a hotel or inn, shall be lost by or through the theft, or the negligence, carelessness or omission of any hotel or innkeeper or his servant or employee, and not by or through the carelessness, negligence or omission of such guest.¹⁸

Other jurisdictions similarly rescind immunity from liability for both intentional and negligent acts on behalf of the hotel. In Maine, the innkeeper is held liable for the loss of specified guest property after such property has been accepted for deposit, “if the loss is caused by the theft or negligence of the keeper or any of the keeper’s employees.”¹⁹

Minnesota is unique in that it explicitly addresses liability due to the fault or negligence of the innkeeper as well as negligent or intentional acts engaged in by persons other than the innkeeper or his agents. For instance, a “person who negligently or intentionally

¹⁶ IND. CODE § 32-33-7-2 (2002).

¹⁷ IND. CODE § 32-33-7-3 (2002).

¹⁸ MISS. CODE ANN. § 75-73-7 (1972).

¹⁹ ME. REV. STAT. ANN. tit. 30-A, § 3851 (1989).

causes injury to any person or damage to any personal property of the person on the hotel premises is liable for the injury or damage.”²⁰

Provisions similar to this, which deal with the detrimental acts of persons other than the innkeeper, are not commonly found within the innkeeper’s liability section of state laws, as they are more likely to appear elsewhere in the state statutory scheme.

E. Types of Property

Several states distinguish among the types of property that guests bring to a hotel and the associated limits of liability. Common property categories established by statute include valuables, other personal property, and merchandise for sale or to be used as samples.

1. Valuables

In describing “valuables,” the statutes often provide a specified list of items that are considered valuables, including, but not limited to, money, jewelry, bank notes, special precious stones, railroad tickets, and other property of small compass. Limits of liability for guest property deposited in the hotel safe ranges from \$300 to \$500 in several states, with some jurisdictions setting limits at \$1,000 or higher.

2. Other Personal Property

Several statutes distinguish between valuables and other personal property brought on the premises by a guest. Other personal property includes luggage, trunks, valises, packages, and their respective contents, along with other miscellaneous effects. Some states provide liability limits for other personal property generally, whereas other states provide limits for each subcategory of personal property. For instance, California law provides, in part:

In no case shall liability exceed, for each item of described property, the respective sums of five hundred dollars (\$500) for each trunk and its contents, two

²⁰ MINN. STAT. § 327.731 (1993).

hundred fifty dollars (\$250) for each valise or traveling bag and its contents, two hundred fifty dollars (\$250) for each box, bundle or package and its contents, and two hundred fifty dollars (\$250) for all other personal property of any kind, unless the [the innkeeper] shall have consented in writing with the owner thereof to assume a greater liability.²¹

In states that do not set forth limits of liability by category for personal property, as in California, the single limit of liability provided for other personal property appears to range anywhere from \$100 to \$5,000 and, in many cases, may be increased by special contract between hotel and guest.

3. Merchandise for Sale or Sample

A number of statutes recognize yet another category of guest property, often referred to “merchandise samples” or “merchandise for sale.” Of the states that hold the hotel liable for merchandise for sale brought onto the hotel premises by a guest, many require that the guest provide notice of having brought such property onto the premises as a prerequisite for potentially recovering on a loss to such items. Monetary limits for such property vary by state. For instance, in some jurisdictions, if the guest provides written notice of having merchandise on the premises and the hotel acknowledges such notice, a limit ranging between \$200 and \$500 may apply. In some states the hotelkeeper may not benefit from such a limit if the loss was through the fault or negligence of the hotel. Other jurisdictions do not explicitly limit the hotel’s liability, provided that the guest has given notice of the property, or loss to such property is through fault or negligence on the part of the hotel.

F. Location of Property

The level of care owed, and thus the extent of liability of the hotel, often depends on where on the hotel premises the guest property is located, as the level of control over property and the level of liability for property may be correlated in some jurisdictions. Common locations

²¹ CAL. INS. CODE § 1859 (1979).

addressed by statute include hotel safes, guest rooms, baggage rooms, and in transit, among others.

1. Hotel Safe

Although not every state requires hotels to provide a safe for guest use, all state statutes set forth operational requirements or liability limits for hotels that choose to maintain such safes. In general, if a hotel is to benefit from a limit of liability on items placed in the hotel safe, the safe must be in a convenient place; it must be metal or fireproof and of suitable quality for the keeping of valuables; and notice of such safe must be conspicuously provided to guests. In several states, if a hotel provides a safe for guests and posts required notice of the availability of such safe, and a guest fails to deliver such property to the hotel employee in charge of the safe, the hotel bears no liability for such property, with the general exception being the case in which the hotel owner, employee, or agent intentionally causes property loss or damage. On the other hand, if the guest attempts to deliver his or her property for deposit in the safe, the hotel may be liable for loss up to a specified limit, whether such property was accepted for deposit or not.

The limit of liability for guest property deposited in the hotel safe varies by state with a range between \$250 and \$5,000, and in a few states no limit is provided by statute. Many states allow these limits to be altered through written agreement between hotel and guest, provided conditions specified in the applicable laws are met.

2. Guest Room

Another location on the hotel premises for which the innkeeper may be liable for loss to guest property is the guest room. Some state statutes explicitly address the hotel's liability for guest property in the room assigned to such guest, whereas others do not. Specified limits of liability for a property loss that occurs from the guest room range from no liability to \$1,000. For instance, in Virginia, a \$300 limit of liability is placed on guest property, other than that which is subject to safe deposit, when such loss takes place from the room occupied by the guest. When a guest fails to lock the doors or windows of the guest room,

however, the hotel is not liable for any resulting property loss.²² Among other states that specify a monetary limit, loss caused by the guest's failure to lock the room typically does not serve as a complete defense enabling the hotel to avoid liability.

Some state laws do allow hotels to avoid compensating for property taken from a guest room by requiring them to merely provide notice to guests to lock their rooms and that the hotel shall not be liable for property loss due to failure to lock such rooms. A Pennsylvania statute mandates, in part, that, whenever an innkeeper posts, in a conspicuous manner, notice requiring guests to bolt the door of their guest room and such guests neglect to do so, the innkeeper shall not be liable for the theft of any baggage from the guests' room. In such instances, the burden of proving that the doors were, in fact, not locked or bolted at the time of the loss is usually upon the hotel.²³

Another method to secure property inside the guest room is use of an in-room safe; however, no statutes require hotels to provide in-room safes and only a few make mention of such method of safekeeping. For instance, in Massachusetts, whenever an innkeeper provides a security box in the room of any guest, a \$1000 limit is provided for guest property placed in such box.²⁴ Innkeeper's liability law in Louisiana takes a different position on the issue of the in-room safe, providing that "an innkeeper who places a safe at the disposal of a guest in the guest's room is not a depository of the things that the guest places in the safe."²⁵

3. Baggage Room or Check Room

Many states have laws governing the innkeeper's liability for guest property placed in a baggage room or check room. The monetary limits placed on guest property in such a locations tend to be lower than that of the hotel safe or the guest room, and range from \$75 to \$1,000. Similar to usage of the hotel safe, usage of the hotel checkroom and related liability may have certain conditions that must be met by the hotel and guest. In order for the limit of liability to apply to guest property

²² VA. CODE ANN. § 35.1-28 (1981).

²³ 37 PA. CONS. STAT. § 65 (1855).

²⁴ MASS. GEN. LAWS ANN. Ch. 140, § 10 (1993).

²⁵ LA. REV. STAT. ANN. § 2943 (2004).

deposited in a hotel check room in the state of Maryland, the following conditions must be met:

- a. the hotel has posted conspicuously at each such place a notice that states the limitation on liability under this section;
- b. the agent or employee gives to the guest an identification ticket that
 - (1) states on its face in 10 point or larger type, the limitation on liability under this section; and
 - (2) provides a space for declaring a greater value; and
- c. the guest does not declare a value greater than \$75 on the duplicate of the identification ticket that the hotel keeps.²⁶

Guest property that is left with an employee of the hotel in a baggage room carries a \$300 limit of liability and none of the above conditions.²⁷

Other state statutes set forth less stringent standards, as is the case in Arizona, which simply provides the following:

The liability of an innkeeper to a guest shall be limited to one hundred dollars for property delivered to the innkeeper to be kept in a storeroom or baggage room and to seventy-five dollars for property deposited in a parcel or checkroom.²⁸

Rather than requiring conditions to be met on behalf of the hotel concerning check room procedures, some states, such as South Dakota,

²⁶ MD. CODE ANN. § 15-105 (1992).

²⁷ MD. CODE ANN. § 15-106 (1992).

²⁸ ARIZ. REV. STAT. ANN. § 33-302 (1955).

take a different approach, placing the duty on the guest to ensure that a receipt for checked baggage is obtained.²⁹

4. In Transit

Several states set limits of liability on guest property that is transported to and from the hotel. These limits vary among the states, and how and if they are enforced depends upon factors such as who is operating the conveyance, whether the value of the property was provided prior to being transported, and whether negligence can be asserted against the hotel. Limits of liability may range from \$25 to \$1,500, with some states providing a flat limit and others issuing separate limits per type of property.

Illinois, for example, requires hotels to assume liability for guest property being transported to or from the hotel in a vehicle owned or operated by the hotel at limits of \$250, \$75, \$25, and \$75 for trunks, valises, boxes, and all other effects, respectively.³⁰ Other states that assign limits by types of property in transit use similar categories.

It is common in many states, however, for one flat limit of liability for property in transit to be mandated. Some of these states allow for modification of the limit if written notice of the value of the property is given to the hotel. An Indiana statute sets the limit at \$200, whether the loss is occasioned by the negligence of the proprietor or agents, unless the following conditions are met:

- a. the guest has given prior written notice of the value of the property; and
- b. the receipt of the notice has been acknowledged in writing by the proprietor, manager, or other agent.³¹

²⁹ S.D. CODIFIED LAWS ANN. § 43-40-3 (1939); WIS. STAT. § 254.81 (1993).

³⁰ 740 IL. COMP. STAT. 90/3.2 (1959).

³¹ IND. CODE § 32-33-7-6 (2002).

If these enumerated exceptions are met, the liability may not exceed \$400, unless the proprietor has agreed in writing to assume greater liability. As in Indiana, it is common for other states to allow greater liability limits for guest property in transit, if the parties have agreed in writing.

G. Fire

Generally, innkeeper's liability statutes that address the peril of fire do not hold innkeepers liable for loss due to fire that is not negligently caused by the innkeeper or his or her employees, as loss from fire supersedes the innkeeper's duty to provide ordinary and reasonable care. However, some states provide a higher level of protection to innkeepers, limiting their liability only to those fire losses that are intentionally caused by the innkeeper or his or her employees. Virginia seems to provide the lowest statutory limit, setting forth a \$250 limit of liability for loss by fire or overwhelming disaster, unless the fire or disaster was attributable to the negligence of the hotel.³² Of the states that hold the hotel liable for guest property losses due to fire negligently caused by the hotel or its agents, specific monetary limits are not typically provided.

**IV.
REVIEW OF CASES CONCERNING LOSS OF GUEST
PROPERTY**

As discussed in previous sections of this article, the statutory scheme determining an innkeeper's potential liability has different operating rules from state to state. However, each scheme is predicated on several factors. Does a bailment exist? If so, is the nature of the bailment gratuitous, imposing a minimum standard of care on the innkeeper. Is it a bailment for hire, in which the innkeeper has an affirmative duty to safeguard and protect the guests' assets? Or, does it rise to the level of the innkeeper acting as an insurer, in which case the innkeeper is held to what is essentially a strict liability standard?

Once bailment, other than gratuitous, is established, the next issues involve where the property is located—the hotel safe, guestroom,

³² VA. CODE ANN. § 35.1-28.C. (1981).

or elsewhere on the property (such as the lobby or in a checkroom), and the category of property—cash, jewelry, valuables, and personal effects, as statutory limits differ based on these variables.

In order to determine whether liability attaches to the innkeeper, it must first be ascertained if the inn provided the statutory notice to the guest limiting its liability. Furthermore, in situations in which guests claim an amount in excess of the statutory limits, one must evaluate whether requirements specified by the law have been adhered to, both by the innkeeper and the guest, such that a special arrangement has been created, imposing liability on the innkeeper for an amount in excess of the statutory limit. A variety of cases addressing these issues is discussed below.

A. *What Constitutes Bailment*

In order for statutory liability to attach, a bailment relationship must first be created. Bailment has been defined as a “delivery of personal property, by one person (the bailor) to another (the bailee) who holds the property for a certain purpose under an express or implied-in-fact contract.”³³

Thus, under this definition, there must be delivery to the inn. The most difficult category of cases in which to evaluate delivery are automobile cases, particularly ones in which guests self-park.³⁴

In *Howard Johnson Co. v. Fair*,³⁵ the hotel was responsible for theft of a guest's truck and trailer, following a clerk's negligent representation that a nearby lot was safe; but no bailment relationship had been created.

In *Waterton v. Linden Motor Inc.*,³⁶ involving the theft of a guest's truck, the hotel was not liable as an insurer or bailee because

³³ BLACK'S LAW DICTIONARY 137 (7th ed. 1999).

³⁴ Under the Guests' Property coverage, there is no coverage for loss or damage to guests' automobiles or contents. These cases are presented to provide insight into the concept of bailment.

³⁵ 575 So. 2d 723 (Fla. Dist. Ct. App. 1991).

³⁶ 810 N.Y.S.2d 319 (N.Y. Civ. Ct. 2006).

there was no delivery to the hotel. However, the hotel was a bailee in *Campbell v. Portsmouth Hotel Co.*,³⁷ in which the hotel took delivery but failed to park the automobile.³⁸

Theft of property from automobiles can result in different issues. In *Solomon v. Downtowner of Tulsa, Inc.*,³⁹ the court decided, based on Oklahoma law, that no bailment had been established when a jewelry salesman's inventory was stolen from his car during check-out because he had never given notice that he was in possession of such items. However, a bailment was held to have been created in *Emmerson v. Super 8 Motel-Stamford*,⁴⁰ in which the vehicle was delivered to the hotel and was damaged and property was stolen.⁴¹

Once a bailment is established, it generally terminates upon return of the property to the guest, the bailor. In *Don-Lin Jewelry Co. v. Westin Hotel Co.*,⁴² a jewelry manufacturer left boxes with the hotel for delivery to an incoming guest. After the guest accepted delivery, it was determined that some prototypes were missing. The court held that the hotel was a gratuitous bailee, at best, and the bailment relationship ended upon delivery of the boxes to the guest.

Bailment frequently continues past the time of checkout. This often occurs when a guest pays the bill and then asks the hotel to guard her possessions, either in the guestroom or in a checkroom. In many jurisdictions, this extends the bailment for hire relationship because this

³⁷ 20 A.2d 644 (N.H. 1941).

³⁸ See also *Tienda v. Holiday Casino, Inc.*, 853 P.2d 106 (Nev. 1993) (valet took possession and parked vehicle); *Park-O-Tell Co. v. Roskamp*, 223 P.2d 375 (Okla. 1950) (hotel employee drove automobile into hotel garage); *Vilella v. Sabine, Inc.*, 652 P.2d 759 (Okla. 1982) (guest self-parked in lot represented by employee as having night patrol); and *Shepherd Fleets, Inc. v. Opryland USA, Inc.*, 759 S.W. 2d 914 (Tenn. Ct. App. 1988) (off-duty employee hit guest car in valet parking lot).

³⁹ 357 F.2d 449 (10th Cir. 1966).

⁴⁰ 757 A.2d 651 (Conn. Ct. App. 2000).

⁴¹ See also *Hallman v. Fed. Park Serv., Inc.*, 134 A.2d 382 (D.C. 1957) (hotel bellboy took custody of vehicle and parked it in third party's lot); *Ross v. Kirkeby Hotels, Inc.*, 160 N.Y.S.2d 978 (App. Div. 1957) (car deposited with hotel doorman with property in vehicle and on sidewalk).

⁴² 877 A.2d 621 (R.I. 2005).

duty is imposed on the hotel as a continuation of the obligation to the guest, rather than as a gratuitous favor to a third party. This is illustrated in *Salisbury v. St. Regis-Sheraton Hotel Corp.*,⁴³ in which a hotel was held liable for the loss of a cosmetics case also containing jewelry, after the guest asked that the hotel hold the bag while she spent the day in town.⁴⁴

In *Peters v. Holiday Inns, Inc.*,⁴⁵ the Wisconsin Supreme Court was asked to distinguish between the obligation of a bailee versus a party acting with a degree of care, when a guest was assaulted and robbed in his room. The court held that, because goods were never delivered to, or brought to the attention of, the hotel, no bailment was created. However, the court remanded the case for trial on the issue of whether the hotel had breached the duty of care by providing inadequate security.

B. Gratuitous Bailee Versus Bailee for Hire

To contrast the different types of bailment, *Black's Law Dictionary* defines them as follows:

1. Bailment for Hire: A bailment for which the bailee is compensated.
2. Gratuitous Bailment: A bailment for which the bailee receives no compensation.⁴⁶

The duty of care owed by a gratuitous bailee is lower than that owed by a bailee for hire. The threshold may be as low as avoiding gross negligence or intentional misconduct. For example, a gratuitous bailment may consist of a party requesting a favor of the hotel, as the jewelry salesman did in *Don-Lin Jewelry Co. v. Westin Hotel Co.*⁴⁷

⁴³ 490 F. Supp. 449 (S.D.N.Y. 1980).

⁴⁴ See also *Hotel Corp. of America v. Travelers Indemn. Co.*, 229 A.2d 158 (D.C. 1967).

⁴⁵ 278 N.W. 2d 208 (Wis. 1979).

⁴⁶ BLACK'S LAW DICTIONARY 137 (7th ed. 1999).

⁴⁷ 877 A.2d 621 (R.I. 2005).

Bailment for hire is part of the contract between the hotel and its guest, within which the hotel recognizes a duty to safeguard the guest's property in partial exchange for the payment for accommodations. Depending on the state, the duty of care can be anywhere along the spectrum from exercising ordinary care to acting as an insurer for the guest's property.

Hotels are considered gratuitous bailees in the following instances: an employee accepts a package for a departed guest;⁴⁸ the guest checks out, leaving a trunk behind for eventual retrieval;⁴⁹ the guest asks the hotel to transfer bags to her residence;⁵⁰ the guest asks hotel to transfer packages to a third-party's place of business;⁵¹ guest checks out and leaves luggage, intending to return in future;⁵² or a traveler arrives at a hotel and decides against seeking accommodations, but has the hotel watch his bags while waiting in the lobby.⁵³

C. Innkeeper Liability As A Bailee For Hire

1. Creation of Limited Liability for Innkeepers

Historically, innkeepers were insurers of the property of guests and were liable for loss or injury to it not caused by the act of God, the public enemy, or the neglect or fault of the owner or its servants.⁵⁴

In assessing whether innkeepers are able to avail themselves of the statutory limits, these and other factors must be evaluated by the courts:

⁴⁸ Alex W. Rothchild & Co. v. Lynch, 103 So. 188 (La. 1925).

⁴⁹ Hays v. Turner, 23 Iowa 214 (1867).

⁵⁰ New Albany Hotel Co. v. Dingman, 181 P. 126 (Colo. 1909).

⁵¹ Baehr v. Downey, 94 N.W. 750 (Mich. 1903).

⁵² See Watkins v. Hotel Tutwiler Co., 76 So. 302 (Ala. 1917).

⁵³ See Baker v. Bailey, 145 S.W. 532 (Ark. 1912).

⁵⁴ See Robbing v. Pontchartrain Apts. Inc., 143 So. 263 (La. 1932); Levesque v. Colombia Hotel, 44 A.2d 728 (Me. 1945); Layton v. Seward Corp., 31 N.W.2d 678 (Mich. 1948); Shultz v. Wall, 19 A. 742 (Pa. 1890); Schaffer v. Corson, 58 N.W.555, 556 (S.D. 1894); Howe Mach. Co. v. Pease, 49 Vt. 477 (1877).

- a. Where the property is stored or should be stored: safe, guestroom, or other location on the premises;
- b. The nature of the property: money, jewelry, valuables, other personal property, salespersons' merchandise, and samples;
- c. The inn's adherence to statutory notice requirements to be provided to guests;
- d. Whether a special arrangement exists between the parties, such as the innkeeper agreeing to accept guest property at value.

To facilitate the review of case law in accordance with the statutory scheme, decisions will be divided into the following categories:

- a. Hotel safe;
- b. Property left in guestrooms;
- c. Property on route to or from hotel or elsewhere on hotel or premises;
- d. Notice requirements; and
- e. Special arrangements.

These cases run the gamut from property stolen from safes; to property disappearing from safes; to property disappearing from rooms after guests were notified that the property should have been in safes; to cases in which guests did not know property should have been in safes; to cases in which guests were robbed entering the hotel before notice could have been given.

This discussion is not a comprehensive review of the case law and does not tie or address the application of policy provisions. It is intended to illustrate the principles set forth.

2. Hotel Safe

Assuming notice requirements regarding the availability of a safe are met, and the innkeeper and guest have not agreed to a stated limit of liability, statutory rules may be divided into seven categories: no liability if notice of safe availability is given and property is not

deposited;⁵⁵ no common law liability if property is deposited in a safe, but statutory limits apply;⁵⁶ statutory limits apply, but only if loss occurred through negligence of hotel;⁵⁷ statutory limits apply if property is in a safe or in a room;⁵⁸ statutory limits apply if guest has notice, but does not use safe;⁵⁹ no limit if property is deposited in a safe;⁶⁰ and no liability limit if property is deposited in a safe unless loss is due to fault or negligence of the proprietor.⁶¹

In most jurisdictions, the statutory limit applies if the safe is used, but no liability attaches if property is left in a room. However, there are exceptions.

In *Levesque v. Columbia Hotel*,⁶² the plaintiff deposited money, which was misplaced by the hotel. The hotel liability under statute was \$300, regardless of whether the money was deposited in the safe or whether the loss occurred due to an employee's negligence, with the only exception being theft or appropriation by the innkeeper.

Liability for deposits lost by hotel clerks is typically capped at the statutory limit, absent special arrangements, but not always.

For example, in *Layton v. Seward Corp.*,⁶³ the plaintiffs occupying a room during racing season deposited \$3,500 with the hotel clerk. When the money disappeared, the hotel was held liable for the full amount because acceptance of large sums was a common practice of the hotel and was known and accepted by president of the hotel corporation.

⁵⁵ Delaware, Wyoming (only if loss caused by innkeeper or employee).

⁵⁶ Vast majority of states.

⁵⁷ Florida, Hawaii, Idaho, Maryland, New Mexico, North Carolina, Puerto Rico, and South Carolina.

⁵⁸ Illinois, New Hampshire, Texas.

⁵⁹ Louisiana.

⁶⁰ Montana, West Virginia.

⁶¹ New Jersey.

⁶² 44 A.2d 728 (Me. 1945).

⁶³ 31 N.W.2d 678 (Mich. 1948).

a. Adequacy and Availability of Safe

The most elementary requirement that enables an innkeeper to avoid liability is to provide a safe. In virtually all state statutory schemes that obligate innkeepers to provide a safe for the benefit of guests, most set forth specifics in regard to the nature of the safe. Thus, a statement to the guest that the safe was unavailable offered no statutory protection to an inn when jewelry was appropriated from the guest's room.⁶⁴

Second, the safe must be adequate in terms of the exposures presented. In *Goncalves v. Regent International Hotels, Ltd.*,⁶⁵ the New York Court of Appeals remanded the case for trial on the material issue of whether the safe provided was in compliance with statutory requirements, as the plaintiff's expert during trial challenged the sufficiency of a safe consisting of safe deposit boxes inside a plasterboard room, which, when open to the public, could be invaded in less than 30 seconds.

Another consideration is whether the property deposited is actually stored in the safe or is represented to the guest as being stored in the safe but is placed elsewhere. For example, in *Schiffman v. Narragansett Hotel, Inc.*,⁶⁶ a salesman deposited a bag containing jewelry with a hotel employee. Unbeknownst to the guest, the bag allegedly did not fit and was placed in a locked office from where it was stolen. The court held that the hotel was negligent and liable for loss, but not for the value of the bag's alleged contents.

Another important element in determining liability is whether the guest, upon receiving proper notice of availability of a safe, elects to use it. There is generally no liability incurred by a hotel when a guest, in such circumstances, loses property left in the guestroom.⁶⁷

Can hotels rely on statutory protection despite the loss arising from its own negligence? This depends on the statutory scheme of the

⁶⁴ See *Zaldin v. Concord Hotel*, 421 N.Y.S. 2d 858, 860-63 (1979).

⁶⁵ 460 N.Y.S. 2d 750, 756-58 (1983).

⁶⁶ 134 A.2d 153, 156-57 (R.I. 1957).

⁶⁷ See *Williams v. Margolis*, 98 N.Y.S.2d 25 (App. Div. 1950).

state at issue and determination by courts regarding the extent of the hotel's negligence.

For instance, in California, hotels are protected by statute despite their negligence.⁶⁸

However, in other jurisdictions, innkeepers will be held liable for the entire loss if common law negligence by staff is found to supersede statutory limitations. Such was the case when a hotel furnished a duplicate key to a guest's safety deposit box to a different guest.⁶⁹

b. Liability if Hotel Fails to Inquire or Guest Fails to Disclose Nature of Valuables

In some jurisdictions, in order to rely on the statutory protection, the innkeeper must ascertain the value of the deposit and either reject it or document that the deposit is being accepted subject to the statutory limit. Failure to decline the deposit or limit liability will expose the hotel to liability for the full amount.⁷⁰ However, in other states, the statutory scheme was devised to protect the innkeeper from potential liability incurred by accepting deposits of great value; and in those states hotels could limit liability merely by not requiring guests to declare the value of the deposit.⁷¹

However, in some jurisdictions, the onus is on the guest who has the duty to disclose.

⁶⁸ See *Ricketts v. Morehead Co.*, 265 P.2d 963, 967 (Cal. Ct. App. 1954). See also *Robert Altman, Inc. v. Biltmore Hotel*, 11 Cal. Rptr. 838, 841 (Ct. App. 1954).

⁶⁹ See *Hoffman v. Louis D. Miller & Co.*, 115 A.2d 689, 691-92 (R.I. 1955). See also *Roger Wurmser, Inc. v. Interstate Hotel Co. of Neb.*, 28 N.W.2d 405, 407-08 (Neb. 1947).

⁷⁰ See, e.g., *Sagman v. Richmond Hotels, Inc.*, 138 F. Supp. 407 (E.D. Va. 1956).

⁷¹ *Lazare Kaplan & Sons, Inc. v. Pensacola Hotel Co.*, 253 F.2d 410 (5th Cir. 1958) (citing Florida law).

Thus, in Michigan, a hotel's liability for a lost briefcase was limited to \$50, as the guest failed to mention that the briefcase was filled with \$50,000 worth of diamonds.⁷²

Likewise, in New York, the hotel was only liable for \$500 when currency and jewelry were misplaced after a guest had deposited the items in envelopes without revealing their contents.

In both Indiana and Ohio, hotels incurred no liability when jewelry salesmen deposited bags without stating that they contained over \$30,000 worth of sample merchandise.⁷³

c. No Liability for Criminal Act

At common law, in many jurisdictions innkeepers were liable for loss of guest property due to robbery.⁷⁴

Over time, the law evolved so that innkeepers could limit their liability by providing safes, notifying guests that a safe was available, and following deposit procedures mandated by statute. A further consequence of most statutory schemes was immunity of the innkeeper if property was robbed or taken by force. This was the case even when an open safe visible to hotel patrons was adjacent to a clerk sitting at his desk.⁷⁵

In some states, hotels are liable if they knowingly accept deposits in excess of statutory limits (without evidence of the hotel agreeing to waive limits or if deposit procedure amounts to waiver of statutory limitation).⁷⁶ But in others, the hotel incurred no liability when

⁷² See *Oppenheimer v. Morton Hotel Corp.*, 210 F. Supp. 609, 615-18 (W.D. Mich. 1962).

⁷³ See *Eichberg & Co. v. Van Orman Fort Wayne Corp.*, 248 F.2d 758, 760-61 (7th Cir. 1957); *Chase Rand Corp. v. Pick Hotels Corp.*, 147 N.E.2d 849, 855 (Ohio 1958); *De Lema v. Waldorf Astoria Hotel, Inc.*, 588 F. Supp. 19, 22-23 (S.D. N.Y. 1984) (although the guest was robbed at check-in).

⁷⁴ *Carlton v. Beacon Hotel Corp.*, 157 N.Y.S.2d 744 (App. Div. 1956).

⁷⁵ See *Robbing v. Pontchartrain Apts. Inc.*, 143 So.263 (La. 1932). See also *Jacobs v. Alrae Hotel Corp.*, 164 N.Y.S.2d 330 (App. Div. 1957)

⁷⁶ See *Garner v. Margery Lane, Inc.*, 242 So.2d 776, 779-80 (Fla. Dist. Ct. App. 1970) (the hotel was liable for full value of deposited valuables stolen

valuables undisclosed to the hotel at the time of deposit were stolen from the safe.⁷⁷

3. Property Left in a Guestroom

As discussed in the proceeding section, hotels may or may not have statutory protection limiting liability not only when money or valuables are deposited in a safe, but also when a guest eschews the availability of a safe in favor of keeping the property in the guest's room. The following highlights significant decisions regarding the latter category.

a. Evolution of Responsibility Under Statute

The statutory framework superseding common law liability may have been in place in most jurisdictions for more than a hundred years. This does not mean that the laws have not been amended to refine and redefine the intent of the state legislatures.

In 1978, the Iowa Supreme Court reviewed revisions to the state's innkeeper laws, to determine the potential liability for theft of a jewelry salesman's merchandise. The court noted that, under older statutory provisions, a limit of \$250 existed for all property left in a guestroom. However, the current statute limited liability for loss of jewelry, specifically, to \$100, but only if the statutory requirements regarding posting of notices concerning the safe's availability were met.⁷⁸

This point is further illustrated in two Florida cases, one decided in 1941 and the other in 1975. In 1941, the court ruled, in accordance

in the course of an armed robbery because guests were instructed to deposit all valuables in safe or hotel would not be liable for loss).

⁷⁷ See *Link-Simon, Inc. v. Muelebach Hotel, Inc.*, 374 F. Supp. 789, 794-95 (W.D. Mo. 1974) (the hotel was exonerated when a jewelry salesman's samples were stolen following robbery of key to safe deposit box while in the guest's possession). See also *Dick-Cleland v. 800 Washington Ave., Inc.*, 143 F.2d 238, 239-40 (5th Cir. 1944) (the hotel was not liable to guests for theft of valuables during an armed robbery when guests did not comply with requisite notice procedures).

⁷⁸ See *Hanover Ins. Co. v. Alamo Hotel*, 264 N.W.2d 774 (Iowa 1978).

with statute, that the hotel incurred no liability for loss of jewelry not deposited in the safe, notwithstanding the hotel's failure to post appropriate notices and notwithstanding the hotel's negligence in failing to change the door lock for several days after the maid had lost a key to the room.⁷⁹

In 1975, the Fifth Circuit dealt with a similar issue. Robbers accosted guests in their lodging, stealing jewelry. The victims alleged that statutory changes to the posting requirements and amendments to the limitation of liability provisions nullified the holding in the 1941 case. After an exhaustive review of the statutory changes, the court determined that the holding in the earlier case was still binding because the language referring to "any loss" (thus including robbery) in regard to limiting liability for property stolen from rooms was still present and arguments alleging improper notification would be disregarded for the same reasons specified by the court in 1941.⁸⁰

b. Categories of Property Addressed Under Statute

Each state has rules limiting liability for valuables, jewelry, and other specified categories of property, whether lost after safekeeping or disappearing from a room. However, a fundamental question arises as to whether particular items, generally considered jewelry, are actually contemplated by statute and subject to limited liability.

For instance, in Tennessee, a watch and fob are considered jewelry;⁸¹ but in Nebraska a watch is not jewelry.⁸² In New York, cufflinks are not considered jewelry.⁸³

⁷⁹ See *Ely v. Charellen Corp.*, 120 F.2d 984 (5th Cir. 1941).

⁸⁰ See *Dalila Pardo de Saric v. Miami Caribe Inv. Inc.*, 512 F.2d 1013, 1016-17 (5th Cir. 1975).

⁸¹ See *Rains v. Maxwell House Co.*, 79 S.W. 114 (Tenn. 1904).

⁸² See *Leon v. Kitchen Bros. Hotel Co.*, 277 N.W. 823 (Neb. 1938) (rings, however, were considered jewelry).

⁸³ See *Fed. Ins. Co. v. Waldorf-Astoria Hotel*, 303 N.Y.S.2d 297 (N.Y. Civ. Ct. 1969).

c. Limitation of Liability if No Negligence by Innkeeper

Typically, if a guest ignores the right to use the hotel safe and suffers a loss of property left in the room, the hotel has no common law liability.⁸⁴

In many jurisdictions, statutory limits apply even if a hotel employee was known to have stolen the property.⁸⁵

Furthermore, if the loss is substantially caused by the gross negligence of the guest, the entire statutory scheme may be ignored, as demonstrated in *Schear v. Motel Management Corp. of America*.⁸⁶

d. Limitation of Liability if the Innkeeper or an Employee May Have Been Negligent

States have taken different positions regarding the impact of innkeeper negligence on the statutory liability framework. Some legislation subjects lost property to statutory limits, regardless of the cause of loss (except for gross negligence), as a means of ensuring innkeeper's protection against suit in all cases and indirectly persuading guests to store their valuables in a safe.⁸⁷ Other states have schemes that protect innkeepers, but not against their own negligence.⁸⁸

⁸⁴ See *Bischoff v. Days Inn of America, Inc.*, 568 F. Supp. 1065 (D. D.C. 1983) (plaintiff had jewelry stolen from her room).

⁸⁵ See *Gooden v. Days Inn*, 395 S.E.2d 876 (Ga. Ct. App. 1990) (a bag of money found in a guestroom was given by one housekeeper to another who absconded with it).

⁸⁶ 487 A.2d 1240 (Md. Ct. Spec. App. 1985). In this case, a couple engaged in the jewelry business contacted a potential purchaser they did not know, announced their arrival at a hotel, and provided their contact information. They left the room for the afternoon and returned in the evening to find their jewels, fur coat, suitcase, and clothing gone.

⁸⁷ See generally *Nova Stylings, Inc. v. Red Roof Inns, Inc.*, 747 P.2d 107, 111-12 (Kan. 1987); *Bleam v. Marriott Corp.*, 655 N.Y.S.2d 566 (App. Div. 1997).

⁸⁸ See *Philip v. Fairmount-Roosevelt Hotel, Inc.*, 469 So. 2d 1140, 1141 (La. Ct. App. 1985); *Laubie v. Sonesta Int'l Hotel Corp.*, 398 So. 2d 1374 (La. 1981) (jewelry stolen allegedly due to inadequate security); *Kutbi v.*

4. Property on Route to or From Hotel or Elsewhere on Hotel Premises

This section focuses on decisions concerning hotel liability for property lost or stolen from locations other than the hotel safe or guestroom.

a. Property in Transit

As part of an array of services offered to guests, hotels routinely assist in the transfer of guest property to and from various types of transportation. There is relatively little case law instructing on whether and under what circumstances common law liability or statutory liability applies. In *Albuquerque Hilton Inn v. Haley*,⁸⁹ a guest's luggage had been initially shipped to the wrong airport upon her arrival. It was diverted to appellant and placed on a bell stand for delivery to the guestroom. It disappeared before the bellman arrived. The New Mexico Supreme Court ruled that the plain reading of the statute indicated that it applied to all property brought to the hotel, not only property transported by a guest on the premises; and liability was limited to \$1,000.⁹⁰

Statutes may distinguish between commercial and personal property. In *Hagerstrom v. Brainard Hotel Corp.*,⁹¹ the guest, a jewelry salesman, requested that a porter arrange to transfer a trunk from the railroad station to his room. Through a series of mishaps, the trunk, containing jewelry samples and clothing, was left on the sidewalk outside the hotel and was stolen. There was no liability for the loss of the non-disclosed jewelry but \$100 liability for the loss of clothing.

Thunderlion Entm't, Inc., 698 P.2d 1044, 1048 (Or. Ct. App. 1985) (question of fact whether innkeeper's excessive duplication of room keys constituted negligence leading to loss); and *Southwestern Hotel Co. v. Rogers*, 183 S.W.2d 751 (Tex. Ct. App. 1945) (question of fact whether hotel allowing thief to access guestroom through use of emergency key superseded guest's gross negligence in failing to deposit valuable rings in the hotel safe).

⁸⁹ 565 P.2d 1027, 1028-30 (N.M. 1977).

⁹⁰ See also *Minneapolis Fire & Marine Co. v. Matson Nav. Co.*, 352 P.2d 335, 340 (Haw. 1960).

⁹¹ 45 F.2d 130 (2nd Cir. 1930).

What is the impact of statutory protections when property is transported within the hotel by a porter in the course of a guest checking out? At least in Illinois, the statutory scheme applying to safe deposits was found inapplicable when the porter negligently misplaced the guest's purse.⁹²

In *Shiman Bros. & Co. v. Nebraska National Hotel Co.*,⁹³ a jewelry salesman arranged to have a hotel porter prepare a trunk with merchandise samples for delivery to an express shipper. The trunk was stolen when left unattended on a loading dock. The court, in debating the relative responsibilities of the guest, hotel, and shipper, determined that statutory limitations did not apply as the hotel was no longer acting as a bailee for hire.

b. Property Outside the Hotel

The application of statutory limitations to losses occurring outside the hotel generally depends on the specific language of the statute. Thus, in New York, the statutory limitation did not apply when a guest was robbed of jewelry and other valuables while standing in the hotel driveway, as the statute only referred to property in transit to and from the hotel.⁹⁴

In another New York case, *Spiller v. Barclay Hotel*,⁹⁵ statutory limitations also did not apply when a porter negligently failed to watch a guest's bag at a taxi stand outside the hotel after the guest had checked out.

c. Property Inside Hotel, But Not in Safe or Guestroom

(i) Conference Room

One case addressed a hotel's statutory liability for property disappearing from a conference room. In *Assoc. Mills, Inc. v. Drake*

⁹² See *Rockhill v. Congress Hotel Co.*, 86 N.E. 740, 741-42 (Ill. 1908).

⁹³ 9 N.W.2d 807, 813-14 (Neb. 1943).

⁹⁴ *Penchas v. Hilton Hotels Corp.*, 603 N.Y.S.2d 48, 50 (App. Div. 1993).

⁹⁵ 327 N.Y.S.2d 426, 428-29 (N.Y. Civ. Ct. 1972).

Hotel, Inc.,⁹⁶ a salesman's unique prototype device disappeared. The loss was limited under a statute addressing merchandise samples, despite the hotel's failure to comply with a promise to seal the room.

(ii) Cloakroom

While bailment may be established if a guest deposits a garment for safekeeping with the hotel, no bailment arrangement exists if a guest leaves a coat in an unsupervised cloakroom without the hotel's knowledge.⁹⁷

(iii) Hotel Restaurant

In *Shamrock Hilton Hotel v. Carcanas*,⁹⁸ a guest's purse containing jewelry was left in a restaurant and given by a bus boy to the restaurant cashier who gave it to a third person. A constructive bailment was deemed established, and the hotel was determined to be negligent under the common law.

(iv) Lobby

Most reported cases indicate that compensation for guest property lost or stolen in a hotel lobby was limited in accordance with the state statute. For instance, in Ohio, a guest entrusted luggage with a doorman, who placed it at a stairway leading to the lobby.⁹⁹ In Missouri and California, guests left jewelry in the lobby during and after check-in, despite posted notices advising that a safe was available.¹⁰⁰ And in New York, a guest was robbed of jewelry, the value of which had not been disclosed to the hotel clerk, while he was checking in.¹⁰¹

⁹⁶ 334 N.E.2d 746, 751-52 (Ill. App. Ct. 1975).

⁹⁷ See *Nat'l Fire Ins. Co. v. Commodore Hotel, Inc.*, 107 N.W.2d 708 (Minn. 1961).

⁹⁸ 488 S.W.2d 151, 154-55 (Tex. Civ. App. 1972).

⁹⁹ See *Korr v. Thomas Emery's Sons, Inc.*, 93 N.E.2d 14 (Ohio 1950).

¹⁰⁰ See *Storner v. Richfield Hospitality Servs., Inc.*, 60 S.W.3d 10, 12-14 (Mo. Ct. App. 2001); and *Nagashima v. Hyatt Wilshire Corp.*, 279 Cal. Rptr. 265 (Ct. App. 1991).

¹⁰¹ See *De Lama v. Waldorf Astoria Hotel, Inc.* 588 F. Supp. 19, 22-23 (S.D.N.Y. 1984).

5. Notice

The intent of statutory frameworks created by state legislatures was clearly designed to limit hotels' liability.¹⁰² However, as the limitation of liability is a deviation from the common law, hotels are required to fully comply with the statutory notice requirements to obtain protection.¹⁰³

This entails providing appropriate notice of the availability of the safe and limit of liability in regard to property deposited in the safe or left in the guest room. Also required is adherence to proper procedures when accepting valuables for safeguarding.¹⁰⁴

An inn will generally not be liable beyond the statutory limit in the event guests are advised that a safe is available and the inn's liability is limited for valuables in the safe or property placed in a guestroom, provided all proper notices are displayed in accordance with statute. Statutes may specify a particular number of locations within the inn¹⁰⁵ or set forth the specific locations where notice must be posted. Thus, in *Hicks v. Days Inn of America, Inc.*,¹⁰⁶ the innkeeper's liability for loss of a guest's personal property was limited to \$100 because notice, in accordance with Georgia law, was only placed inside the motel room door. Liability was also limited to \$100 in *Zurich Insurance Co. v. Fairmont Roosevelt Hotel, Inc.*,¹⁰⁷ in which conspicuous notice in compliance with Louisiana law advised guests that a safe depository was available and a traveling fur salesman failed to deposit suitcases containing his inventory.

¹⁰² See *Featherstone v. Dessert*, 22 P.2d 1050, 1052-53 (Wash. 1933).

¹⁰³ *Id.* See also *Pachinger v. MGM-Grand Hotel-Las Vegas, Inc.*, 802 F.2d 362 (9th Cir. 1986), in which the circuit court interpreted that, under Nevada law, the hotel's provision of proper notice limited liability to guest to \$750 for jewelry samples checked with hotel.

¹⁰⁴ See, e.g., *Zacharia v. Harber Island Spa, Inc.*, 684 F.2d 199 (2nd Cir. 1982), in which the court held that failure to provide the guest with a receipt for deposited property violated the New York statute.

¹⁰⁵ See *H.D. Grimes v. M.H.M. Inc.*, 776 S.W.2d 336 (Ark. 1989).

¹⁰⁶ 357 S.E.2d 847, 847-49 (Ga. Ct. App. 1987).

¹⁰⁷ 250 So. 2d 94, 97-98 (La. Ct. App. 1971).

Similarly, in Missouri, a guest who lost a ring left in a guestroom was unable to overcome the hotel's affirmative defense that appropriate notice of an available safe was posted in every guestroom.¹⁰⁸ It also is important to note that, to obtain the benefit of statutory limitations of liability, notice must strictly adhere to the exact notice requirements in the law. For example, in *Johnson v. Mobile Hotel Co.*,¹⁰⁹ while the guest may have known that he had the option of depositing his valuables, the notices were not posted as set forth in the Alabama Code; and the hotel was thus held fully liable for theft of the guest's property when he was robbed on the hotel premises, notwithstanding lack of fault or negligence on the part of the hotel.¹¹⁰

Often, however, courts cannot determine whether compliance with notice requirements has been established as a matter of law;¹¹¹ and cases are remanded with the issue being addressed as a question of fact.

Further examples of non-compliance with statutory requirements imposing full common law liability on the innkeeper include failing to include required statutory provisions,¹¹² posting notices at register instead of guestrooms;¹¹³ placing notices on registration cards instead of hotel office;¹¹⁴ posting notice in back of hotel office rather than the specified three or more public rooms;¹¹⁵ failing to adhere to duty to post notices specifying limit of liability with copy of the enabling statute in

¹⁰⁸ See *Stormer v. Richfield Hospitality Servs., Inc.*, 60 S.W.3d 10, 12-14 (Mo. Ct. App. 2001).

¹⁰⁹ 67 So. 595 (Ala. Ct. App. 1936).

¹¹⁰ See also *Mobile Battle House, Inc. v. Wolf*, 126 So. 2d 486, 490-93 (Ala. 1961).

¹¹¹ See *Goodwin v. Georgian Hotel Co.*, 84 P.2d 681, 684-85 (Wash. 1938), in which the case was remanded to determine, as a question of fact, whether a notice posted in an office open to public view was a public place, as required by statute; and *Cook v. Columbia Sussex Corp.*, 807 S.W.2d 567, 570 (Tenn. Ct. App. 1991), in which a matter was remanded on the fact issue as to whether notice on the back of a guestroom door was sufficiently conspicuous.

¹¹² See *Wagner v. Congress Square Hotel Co.*, 98 A. 660 (Me. 1916).

¹¹³ See *Gillett v. Waldorf Hotel Co.*, 241 P. 14, 15-16 (Wash. 1925).

¹¹⁴ *EPP v. Bowman-Biltmore Hotels Corp.*, 12 N.Y.S.2d 384, 386-88 (N.Y. Civ. Ct. 1939).

¹¹⁵ See *Featherstone v. Dessert*, 22 P.2d 1050, 1052-53 (Wash. 1933).

designated public places;¹¹⁶ placing notice on back of bathroom within guestroom rather than on back of room's entry door;¹¹⁷ violating the statute by failing to post notice in the office of the hotel, despite placing notices on either side of registration desk, registration cards, and public rooms throughout premises;¹¹⁸ and, last and most obvious, failing to post any notices in accordance with the enabling statute anywhere on the premises.¹¹⁹

One of the few instances in which common law liability is imposed on the innkeeper, despite full compliance with notice requirements, occurs as a result of active malfeasance or gross negligence by a hotel and/or its employee.¹²⁰

For instance, in *H.K. Mallak, Inc. v. Fairfield FMC Corp.*,¹²¹ a guest, upon entering his room, was viciously attacked and robbed of more than a million dollars of gems. While notice may have been sufficient under the Wisconsin statute, a fact issue existed as to whether the victim had the opportunity to see the notice before the attack. More important, however, was whether the hotel was grossly negligent in handling keys to his room, or an act of malfeasance had occurred if the robbers were actually hotel employees in disguise. The case was remanded to resolve these issues.

¹¹⁶ See *Florida Sonesta Corp. v. Anibaldi*, 463 So. 2d 1203, 1208-09 (Fla. Dist. Ct. App. 1985).

¹¹⁷ See *Southwestern Hotel Co. v. Rogers*, 184 S.W.2d 835, 837 (Tex. 1945).

¹¹⁸ See *Latini v. Loews Corp.*, 657 F. Supp. 475, 476 (S.D.N.Y. 1987). See also *Searcy v. LaQuinta Motor Inn, Inc.*, 676 So. 2d 1137 (La. Ct. App. 1996) (in which numerous notices placed around hotel could not surmount insufficiency of notice required to be posted in the registration area).

¹¹⁹ See *Buck v. Hankin*, 269 A.2d 344, 347 (Pa. Super. Ct. 1970).

¹²⁰ In the event of lost property, if the bailor proves that the deposit of valuables was made, even if the innkeeper can establish that notices were posted as an affirmative defense, limited liability under statute will only attach if the innkeeper can show that the loss was not caused by the gross negligence or theft of the innkeeper or its employees. See *Goodwin v. Georgian Hotel Co.*, 84 P.2d 681, 685-87 (Wa. 1938).

¹²¹ 209 F.3d 960, 963-65 (7th Cir. 2000).

In *Busby v. Hotel Wisconsin Realty Co.*,¹²² a guest checked a bag containing several thousand dollars of gems, which was lost through the theft or gross negligence of one of the hotel's employees. In the resulting suit, the hotel argued its liability was limited to \$300, the maximum under the statute applicable to gems. This argument was rejected by the Wisconsin Supreme Court, which held that another statute, dealing with checked baggage, was more relevant. The limit under this statute was \$10 per bag; however, the statute provided an exception by which full liability was reinstated in the event of loss due to theft or gross negligence of the innkeeper or its employees. Consequently, the guest was awarded close to \$4,000, representing the full value of the loss.

However, the statutory scheme cannot typically be superseded by an act of nonfeasance. Courts have interpreted that only active wrongdoing, rather than a failure to act, can trigger common law liability. This is illustrated in *Terry v. Lincscott Hotel Corp.*,¹²³ in which the guests had jewelry and other valuables stolen from their room and unsuccessfully alleged that the statutory limitations should be overridden due to the hotel's failing to advise them of the inadequacy of hotel security provided and the number of thefts in the hotel.

Furthermore, hotels can incur common law liability if specified procedures are not followed at the time valuables are deposited for safekeeping. When the guest fails to identify the property or the value of the property when transferring possession, the hotel typically is only liable up to the statutory limit for the property deposited.¹²⁴ There are

¹²² 164 N.W. 826 (Wis. 1917).

¹²³ 617 P.2d 56, 61-62 (Ariz. Ct. App. 1980).

¹²⁴ See *Roger Wurmser, Inc. v. Interstate Hotel Co. of Nebraska*, 28 N.W.2d 405, 407-08 (Neb. 1947); *Carlton v. Beacon Hotel Corp.*, 157 N.Y.S.2d 744, 746 (App. Div. 1956); *Lazare Kaplan & Sons, Inc. v. Pensacola Hotel Co.*, 253 F.2d 410 (5th Cir. 1958); *De Lama v. Waldorf Astoria Hotel, Inc.*, 588 F. Supp. 19, 22-23 (S.D.N.Y. 1984); *Oppenheimer v. Morton Hotel Corp.*, 210 F. Supp. 609, 615-18 (W.D. Mich. 1962); *Chase Rand Corp. v. Pickle Hotels Corp.*, 147 N.E.2d 849-50, 855-56 (Ohio 1958).

rare exceptions, however, when the hotel is fully liable if it neglects to inquire.¹²⁵

Once the guest has disclosed the nature and value of the intended deposit, the hotel has the option of accepting the deposit, subject to statutory limits;¹²⁶ entering into a special arrangement obligating the hotel to incur an agreed liability limit; or declining the deposit if no arrangement can be made.

Hotels can violate the statute, and thus re-establish common law liability, in a variety of ways, such as failing to document the deposit, not providing a claim check to the guest¹²⁷ or allowing a clerk to accept deposits in contravention of hotel stated policy.¹²⁸

6. Special Arrangement

As briefly discussed in the preceding section, hotels and guests are free to enter into agreements, known as special arrangements, whereby the hotel accepts deposits for safekeeping subject to liability limits in excess of those imposed by statute.

The initial consideration is whether the guest advised the hotel of the contents and value of the deposit. Failure to establish that such declaration was made results in the guest only receiving the statutory amount.¹²⁹

¹²⁵ See *Sagman v. Richmond Hotels, Inc.*, 138 F. Supp. 407 (E.D. Va. 1956).

¹²⁶ See *Pachinger v. MGM-Grand Hotel-Las Vegas, Inc.*, 802 F.2d 362 (9th Cir. 1986) (in which jewelry salesman accepted a claim check clearly stating the applicability of limited liability under Nevada law); and *Leon v. Kitchen Bros. Hotel Co.*, 277 N.W. 829 (Neb. 1938).

¹²⁷ See *Zacheria v. Harbor Island Spa, Inc.*, 684 F.2d 199, 203 (2nd Cir. 1982); *Robert Altman, Inc. v. Biltmore Hotel*, 11 Cal. Rptr. 838, 841 (Ct. App. 1954); and *Numismatic Entm't v. Hyatt Corp.*, 797 F. Supp. 687, 691-93 (S.D. Ind. 1992).

¹²⁸ See *Layton v. Seward Corp.*, 31 N.W.2d 678, 682-83 (Mich. 1948).

¹²⁹ See *David Karp Co. v. The Read House, Inc.*, 228 F.2d 185, 186 (6th Cir. 1955) (interpreting Tennessee law).

Even if the guest fails to disclose the value of the items being deposited, a special arrangement can still be formed. In *Kalpakian v. Oklahoma Sheraton Corp.*,¹³⁰ a guest deposited jewelry without advising the clerk as to the bag's contents. Notwithstanding the \$300 statutory liability limit for deposits in Oklahoma, the hotel accepted greater exposure when it had the guest sign a receipt stating that the value of the property did not exceed \$1,500.

However, special arrangements do not necessarily cap the hotel's liability at the agreed limit if loss, for example, is caused by the negligence of the innkeeper or theft by employees. For instance, in *World Diamond, Inc. v. Hyatt Corp.*,¹³¹ the guest's deposit of diamonds and precious stones were stolen from the safe without evidence of forced entry, allowing for an issue to be raised whether the loss resulted from the negligence or malfeasance of hotel staff.

V. PRACTICAL CONSIDERATIONS

A. *Underwriting*

The Guests' Property insuring agreement presents additional exposures that should be addressed in the application for the coverage and negotiations leading to the issuance of the Guests' Property Coverage.

The underwriter should inquire if the insured has procedures in place to deal with a report by a guest of theft of property from his or her room or safe deposit box. Running the hotel is a 24-hour a day operation; and a staff member, preferably the manager, from each shift should be responsible for dealing with the guest and maintaining accurate written records of the report of any incident of loss of property. The date and time of the report by the guest, the personal information of the guest, the names of the staff that had access to the guest's room, and a detailed description of the missing property should be maintained by the insured; and such records should be made available to the insurer if a claim is presented.

¹³⁰ 398 F.2d 243 (10th Cir. 1968).

¹³¹ 699 N.E.2d 980, 988-89 (Ohio Ct. App. 1997).

As previously discussed in this article, all states require some sort of notice be given to the guest. How the insured carries out its obligation to post notices and comply with other statutory conditions is an important underwriting consideration that should be explored when underwriting the coverage. Failure to properly post notices that comply with statutory requirements could affect the innkeeper's liability and, ultimately, the underwriter's liability under the Guests' Property coverage.

The underwriter should have a clear understanding of how its claim personnel will deal with claims under the Guests' Property Coverage and communicate the planned method of claim handling to the insured. It would be advantageous to involve a member of the claim staff in the initial stage of underwriting to avoid any misunderstanding of how the claims are to be handled before the first claim is submitted. The insured may anticipate that the company will deal directly with the guests while the Guests' Property Coverage requires that it is the insured that must present any claim.

B. Claims

It is beyond the scope of this article to consider all of the issues generally involved in handling claims under the Guests' Property endorsement. Such issues are thoroughly covered in other publications,¹³² and many of the elements of such investigations are applicable to Guests' Property claims. The investigation of a Guests' Property claim does raise several issues not typically found in handling claims under the Commercial Crime Policy.

The claim handler should review terms and conditions of the actual coverage issued to an insured, including the Policy Period, Limit of Insurance, Deductible Amount, and any endorsements or other modifications that may affect a coverage decision on a particular claim. All of the provisions of the Commercial Crime Policy apply unless replaced or modified by the Guests' Property coverage.

¹³² See, e.g., HANDLING FIDELITY BOND CLAIMS (Michael Keeley & Sean Duffy eds., 2d ed. 2005).

The following should be considered guidelines for the claim handler and should be modified to fit the coverage and facts of an actual claim.

Once notice is received from the insured for a claim involving the loss of guests' property, a written acknowledgement should be given, similar to any claim under the Commercial Crime Policy. A proof of loss form, if used by the company, should be provided. While the Commercial Crime Policy provides 120 days for the insured to submit its proof of loss, it should be expected that a proof of loss for claims involving loss of guests' property will typically be filed in a shorter time.

Under the Duties In The Event Of Loss Condition, the Commercial Crime Policy requires as follows:

If you have reason to believe that any loss (except for loss covered under Insuring Agreement A.1. [Employee Theft] or A.2. [Forgery or Alteration]) involves a violation of law, you must also notify the local law enforcement authorities.¹³³

It is the responsibility of the insured to notify the local law enforcement authorities if the loss claimed by the guest involves a violation of law. It should be expected that, unless the insured expects to present a claim under Employee Theft, each incident will result in a police report except in the unlikely event the circumstances reported by the guest do not involve a violation of local law.

In the course of the investigation, the claim handler should determine if the insured followed applicable statutes in providing notice of any statutory limitation of its liability to the guest. If possible, photographs or other record of the notice posted in the room occupied by the guest and other locations frequented by guest should be taken. Copies of any written notices provided to the guest should be obtained.

While liability voluntarily assumed by the insured is generally excluded, the insured may assume liability under a written agreement to

¹³³ E. Conditions, Duties In The Event of Loss, 1.g.(1). CR 00 23 05 06 (ISO).

“an amount not exceeding \$1,000 any lesser amount” provided by statute if the written agreement is “entered into before the ‘occurrence’ of any loss or damage.”¹³⁴

Does the property claimed by the guest consist of “money,” “securities,” or “other property” as defined in the Commercial Crime Policy? For example, a guest may claim the loss of computer programs; but the definition of “other property” excludes computer programs.¹³⁵ Thus, even if the insured is liable for the loss of the computer programs, the policy would not respond. Likewise, the guest may claim loss of confidential information, credit card or banking information, or other items that do not come within the definition of “other property.”

The claim handler should determine if the guest has made claim under any other policy, or if the guest has been reimbursed by his or her employer or otherwise been compensated for the items claimed. Also, the claim handler should determine if the guest has any other insurance that could apply to the lost property. Simply stated, the guest should not be paid twice for the same loss. It is also possible that a claim in subrogation could be brought by an insurer or other party for the property claimed by the guest; and to avoid the possibility of two claims for the same loss, it is important to determine if any other claims have been made by the guest.

Was the claimant a guest at the time of loss? The cases discussed earlier in this article provide guidelines to determine if the claimant was a guest at the time of the “occurrence.”

What is the position of the insured concerning the claim by the guest? Is the insured prepared to pay the guest’s claim, including any deductible, file a proof of loss, and request indemnity? If the insured refuses to pay the guest, is the decision supported by the facts and is the company prepared to pay for the defense of a suit brought by the guest? Under the Insuring Agreement, such defense costs could be covered with the written consent of the company; and such costs are in addition to the Limit of Insurance.

¹³⁴ Guests’ Property Coverage (CR 04 11 08 07), Section 4.b.(1).

¹³⁵ Commercial Crime Policy CR 00 23 05 06, Definitions 15.

If the claim is accepted, it is important to make sure that the insured obtains a release and assignment from the guest that can then be assigned to the company in the event that the perpetrator is found, the lost property is located, or any other source of recovery is identified.

VI. CONCLUSION

The Guests' Property coverage has a long history under crime insurance, as a separate policy and as an endorsement to a crime policy, as it exists today. The liability for losses involving guests' property is regulated by statute in all states, Washington, DC, and Puerto Rico. Handling claims under the Guests' Property coverage raises issues not commonly found in the handling of claims under crime coverages. By understanding the statutes, cases, and coverage, the claim handler can be prepared to promptly and fairly handle any claims that arise.

APPENDIX

Innkeepers' Liability—Guests' Property Statutory Survey

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
Alabama	34-15-12		Notice Requirement - Availability of Safe.
	34-15-13.	No liability if hotel complies with 34-15-12 and guest does not deposit property with the hotelkeeper for safekeeping. \$300 for items deposited in a safe; this limit applies even if the hotel does not fulfill the notice requirement of 34-14-12, however, this limit does not apply if hotel fails to provide a specified receipt.	
	34-15-14.	\$5000 for property loss, damage, theft, etc. not specified in 34-15-11 or 34-15-13.	
	34-15-15	No liability for guest property if: 1. The hotel provides a checkroom or storage place 2. The hotel keeps written notice posted in the lobby that such storage place is provided; 3. The hotel makes no extra charge for storing baggage; and 4. The guest does not leave such baggage in such checkroom or storage place. \$500 for guest property loss from the checkroom, whether by theft or otherwise, regardless of whether the hotel complied with the provisions of this section; limit may be modified by written agreement.	Notice Requirement - Availability of Checkroom or Storage Place
Alaska	8.56.050	No liability for guest property if the hotel fulfills the notice requirement and the guest does not deposit property with the hotelkeeper for safekeeping. \$1000 for guest's property the innkeeper receives for deposit in the hotel safe.	Notice Requirement - Availability of Safe.
	8.56.060	No liability for guest's property brought or sent to the hotel by a guest unless the loss was caused by the negligence of the operator or his agent.	
Arizona	33-302.	\$500 for items deposited in a safe; \$500 for merchandise; \$100 for property delivered to be kept in storeroom or baggage room; \$75 for property deposited in parcel or checkroom.	Notice Requirement - Availability of Safe.
Arkansas	20-26-302.	a. No liability for baggage or other articles unless (1) they have been actually delivered by the guest to the hotel proprietor or his servants for safekeeping or (2) the loss occurred through the negligence of the hotel proprietor or his servants. b. No liability for guest's property if the hotelkeeper: (1) provides a metal safe or vault suitable for the custody of specified valuables; (2) Keeps suitable locks and bolts on the doors and fastenings on the windows of guestrooms; and (3) Keeps a copy of this section printed in distinct type constantly and conspicuously posted in at least ten places in the hotel; unless the guest offered to deliver such articles. \$300 for property deposited in a safe; this limit may be modified by written agreement.	Notice Requirement - Availability of Safe.
	20-26-303.	\$300 for each trunk and its contents; \$100 for each valise and its contents; \$25 for each box and its contents; \$100 for miscellaneous effects.	
	20-26-304.		Guest's property sent to the hotel before becoming a guest thereof or remaining in the hotel after ceasing to be a guest thereof, may be held by the hotelkeeper at the risk of the guest.
California	1859	\$1000 aggregate for property; \$500 for each trunk and its contents; \$250 for each valise and its contents; \$250 for	Notice Requirement - Availability of Safe.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
		each box and its contents; \$250 for all other personal property.	Liability is that of a depository for hire.
	1860	\$500 for items deposited in a safe.	
Colorado	12-44-105	No liability for guest's property if: (1) the innkeeper provides a safe or vault suitable for specified valuables; and (2) keeps posted in a public and conspicuous place notice printed in English stating there is a safe for deposit of such items; unless such guest delivers their property for deposit in such safe. Limit for property received for deposit shall not be greater than the value declared by the guest at the time of deposit.	Notice Requirement - Availability of Safe
	12-44-106.	\$5000 for money, jewelry, etc. (excluding necessary baggage) deposited in a safe	
	12-44-109	\$200 for guest's property in the room assigned to such guest.	
	12-44-110	\$50 for guest's property left in the innkeeper's custody after the person has ceased to be a guest.	Liability of an innkeeper is that of a gratuitous bailee.
	12-44-111	No liability for guest property loss due to fire or unforeseen causes or accidents, unless such loss occurs on account of the negligence of the innkeeper or his employees.	
Connecticut	44-1.	\$500 for property deposited in a safe	Notice Requirement - Availability of Safe.
	44-2.	\$1000 for property other than that specified in 44-1 and not in the room assigned to the guest, if caused by the negligence of the proprietor or his employees; \$350 for property deposited in the checkroom or baggage room; \$1000 for property in the room assigned to the guest.	
Delaware	1502	No liability if hotel provides safe and notice thereof, and guest does not place valuable items in the safe. No limit stated for when guest deposits valuables for safekeeping.	Notice Requirement - Availability of Safe.
District of Columbia	30-101.	(a) The lesser of \$1000 or fair market value for property deposited in a safe; (b) the lesser of \$200 or fair market value for property deposited in a checkroom, unless loss is caused by the agent or his servants.	Notice Requirement - Posting of Law
Florida	509.111	(1) \$1000 for property accepted by the operator for safe keeping if loss was the proximate result of fault or negligence of the operator and the operator provides a receipt stating the value of the property and that the hotel is not liable for any amount more than \$1000 in noticeable type. (2) \$500 for property other than specified in section (1) if the result of fault or negligence of the operator, unless guest provides verified inventory of property; \$1000 when inventory is provided to the operator.	Notice Requirement - Via Receipt, Not posting
Georgia	43-21.9		Acts Constituting Entrustment of Property - It is not necessary to show actual delivery of property to the innkeeper; depositing goods in a public room set apart for such articles or leaving them in the guest room shall be a delivery to the innkeeper.
	43-21-8.		Innkeeper shall exercise "extraordinary diligence" for property "entrusted to his care" by his guests...if loss of such "entrusted property occurs through theft and if the guest has complied with all reasonable rules of the inn, the innkeeper shall be liable as an insurer of the stolen property".
	43.21-10.	\$750 for property ("valuable articles") deposited with the innkeeper for safekeeping.	Notice Requirement - Availability of Safe Receipt Requirement - Evidence of Deposit

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	43-21-11.	\$1000 for property ("valuable articles") contained in a package, box, etc. left w/the innkeeper to be placed in a safe; may exceed \$1000 by written contract entered into between the parties providing a greater liability.	Notice Requirement - Provisions of 43-21-11(a)
	43-21-12.	\$1000 for property (other than "valuable articles" which require safe deposit); if value of the property exceeds \$1000, limit may be increased in writing.	
Hawaii	486K-4.	\$500 for valuables deposited in a safe; if guest does not deposit valuables in safe, hotel is not liable unless the loss is due to the negligence or fault of the innkeeper.	Notice Requirement - Availability of Safe.
	486K-5.	\$500 for property, other than specified in 486K-4, which is entrusted to the innkeeper; liability may exceed \$500 via special written agreement.	
Idaho	39-1802.	The hotel is required to post a copy of section 39-1804 in a plainly legible fashion and in a conspicuous place in each sleeping room.	
	39-1804.	No liability unless loss is the proximate result of the fault or negligence of the hotelkeeper: (1) \$1000 for valuables deposited in a safe; limit may be higher than \$1000 if agreed to in writing. (2) \$500 for property other than specified in section (1), unless guest provides innkeeper w/an inventory; \$1000 limit if inventory is provided.	
Illinois	740 ILCS 90/1	(1) \$250 limit for valuables not deposited in a safe; and (2) \$500 limit for valuables given to the person in charge of the safe to be deposited therein; regardless of whether such loss was occasioned by theft, fault of proprietor, manager or employees of the hotel or otherwise, unless a higher limit of liability is agreed to in writing.	740 ILCS 90/1 Includes Notice Requirements
	740 ILCS 90/3	\$250 for property, not specified in 740 ILCS 90/1, which is delivered to the proprietor or employees of the hotel for safekeeping, with specific limits as follows: \$250 for trunks and contents, \$75 for valises and contents, \$25 for parcels and contents, \$75 for miscellaneous. These limits apply regardless of whether such loss was occasioned by theft, fault of proprietor, manager or employees of the hotel or otherwise, unless a higher limit of liability is agreed to in writing.	
	740 ILCS 90/3.1	No liability for merchandise samples or merchandise for sale unless (1) the guest or other owner gives written notice of bringing such merchandise into the hotel and the value thereof; and (2) receipt of such notice is acknowledged in writing by the proprietor or manager prior to or at the time such merchandise is brought into the hotel. When the above conditions are met the limit of liability is \$250, unless a higher limit is agreed to in writing.	
	740 ILCS 90/3.2	Where the proprietor of the hotel transports guests' property in a conveyance owned by the hotel to or from the hotel, the limits are as follows: \$250 for trunks and contents, \$75 for valises and contents, \$25 for parcels and contents, \$75 for all other property.	
	740 ILCS 90/4	\$100 limit on guest property at the hotel prior to the person becoming a guest or after the guest has departed from the hotel; the liability of the proprietor is that of a gratuitous bailee.	
Indiana	IC 32-33-7-2	No liability if hotel provides safe and abides by notice requirements, and the guest does not deposit his/her property in the safe. \$600 for specified valuable property deposited in the safe, whether or not the loss is occasioned by the negligence of the proprietor or agents, unless the hotel proprietor or manager assumes greater liability by written agreement.	Requirement to provide the safe in a "convenient place for safekeeping". Notice Requirement - Availability of Safe notice should be posted in a "public and conspicuous place manner" at registration or in each guest room.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	IC 32-33-7-3	\$200 for property, other than that described in 32-33-7-2 and merchandise samples or merchandise for sale, brought to the hotel by a guest whether or not loss is due to the fault or negligence of the hotel proprietor or agents. \$200 for luggage or other personal property left in the hotel for safekeeping or to be checked in a checkroom whether or not the property is brought in by and belongs to a person who is not a guest.	
	IC 32-33-7-4	\$400 for merchandise samples or merchandise for sale whether or not loss is occasioned by the negligence of the hotel proprietor or agents if (1) the guest gives notice of having brought the merchandise and the value of it and (2) receipt of notice has been acknowledged in writing by the proprietor or agent.	
	IC 32-33-7-5	\$100 for property left at the hotel by a guest after the guest departed from the hotel; the liability of the proprietor is that of a gratuitous bailee	
	IC 32-33-7-6	\$200 for loss while guest property is in transit to or from a hotel on behalf of a guest, whether or not the loss is occasioned by the negligence of the proprietor or agents. \$400 for loss while guest property is in transit to or from a hotel on behalf of a guest, whether or not the loss is occasioned by the negligence of the proprietor or agents, if (1) the guest gives prior written notice of the value of the property and (2) receipt of notice has been acknowledged in writing by the proprietor or agent.	
Iowa	671.1	\$100 for loss of specified valuable property, if the innkeeper, at all times, provides (1) metal safe fit for safekeeping (2) lock or bolts on the door and proper fastenings on the windows of guest rooms and (3) notices posted in conspicuous places stating that places for safe deposit are provided.	Notice Requirement - Availability of Safe.
	671.2	Limit provided in section 671.1 does not apply if (1) the guest offered to deliver such valuables to the innkeeper for deposit in such safe and (2) the innkeeper refuses to receive and deposit the valuables in the safe. \$500 for property guest delivers or attempts to deliver for deposit in the safe.	
	671.3		Nature of liability, other than specified in 671.1 & 671.2 is that of a depository for hire.
	671.4	\$250 for each trunk and its contents; \$150 for each valise and its contents; \$50 for each box, bundle or package and its contents; \$100 for all other miscellaneous effects.	
	671.5		For property left at any hotel 48 hours after the guest has departed and the relation of keeper and guest has ceased, the keeper or owner may hold the property at the risk of the owner.
	671.6		For property that has been forwarded to any hotel, and the owner of such property does not become a guest within 48 hours, the keeper of owner may hold the property at the risk of the owner.
	671.8	\$50 for property of a guest left in a conveyance that the hotel owns or operates, unless such guest listed with such hotel the personal property contained in the conveyance.	Hotel has the duty of a bailee for hire.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	671.9		Liability During Transit - Except as provided by 671.8, no hotel keeper shall be liable for the property of a guest while the conveyance is in transit between the hotel and any garage, unless the conveyance is being operated by an employee or agent of the hotel.
Kansas	36-402	(a) \$250 for property of a guest, unless the guest delivered such property to the hotelkeeper or authorized agent for safekeeping and a receipt is issued for which the hotelkeeper will assume a greater amount of liability. (b) \$250 for merchandise or samples of a guest, if the guest gives notice to the hotelkeeper or authorized agent of the guest's merchandise and a list thereof; a higher limit may be agreed to by written contract. (c) \$250 for valuables of a guest, if the guest has delivered the valuables to the hotelkeeper or authorized agent, along with an itemized list, and the delivery has been acknowledged by a receipt issued by the hotel; a higher limit may be agreed to by written contract. (d) \$250 for any other property not described in 36-402, unless a higher limit is agreed to by written contract.	Notice Requirement per 36-403- A complete copy of "this act and the act of which this act is amendatory" shall be posted in every guest room.
	306.020	(1) If the proprietor of a hotel provides a safe for the deposit of valuables, posts this section of the law in a public and conspicuous place notifying guests that a safe is provided, and the guest neglects to deliver such property for deposit, the proprietor shall not be liable for such property. (2) \$300 for property deposited for safekeeping; a higher limit may be agreed to in writing.	
Kentucky	306.030	(1) Except as provided in 306.020: (a) \$100 for property brought into the hotel by guests, unless the loss is occasioned by the negligence of the proprietor, agents or employees of the hotel; (b) No liability for merchandise samples or merchandise for sale, unless prior written notice of possession and value is provided to the proprietor and acknowledged in writing by receipt; (c) \$200 for property described in this section, unless higher limit is agreed to by written contract. (2) No liability for loss of property brought into the hotel by guests caused by fire, unless occasioned by the negligence of the proprietor, agents or employees of the hotel. (3) \$100 for property left at the hotel after the guest departs and ceases to be a guest; the liability of the proprietor shall be that of a gratuitous bailee. (4) \$100 for property of a guest while in transport to or from the hotel; \$200 for property of a guest while in transport to or from the hotel if the guest gave prior written notice of the value thereof and obtained written acknowledgement of such notice; a higher limit may be agreed to by written contract.	
	2941		An innkeeper is bound to accept for deposit the personal belongings of guests unless he is unable to due to excessive value, size, weight or nature of the property to be deposited.
Louisiana	2942		An innkeeper is considered a "compensated depository" as to property guests deliver to the innkeeper for safekeeping.
	2943		An innkeeper who places a safe at the disposal of a guest in the guest's room is not a depository of the things that the guest places in the safe.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	2944	No liability for a guest's property that is stolen or damaged, unless the loss is attributed to the innkeeper's fault.	
	2945	\$500 for property of a guest not delivered to the innkeeper if a safe deposit facility for such belongings and notice of it is provided; a higher limit may be agreed to by written contract.	Notice Requirement - Availability of Safe
Maine	3851	1. No liability if the innkeeper: (A) constantly has a metal safe or suitable vault in the hotel; (B) keeps suitable locks or bolts on the doors and fastenings on the windows of the guest rooms; and (C) keeps a copy of this section of the law printed in a distinct type constantly posted at the registration desk and each guest room. 2. Immunity from liability under 3851.1. does not apply if: (A) a guest has offered to deliver property to the innkeeper for deposit in the safe or vault and the innkeeper refused to deposit it and give the guest a receipt, although the limit is \$300 for property whether received or not; and (B) guest's property is accepted for deposit and loss is caused by the theft or negligence of the innkeeper or his employees.	Notice Requirement - Posting of Law
	3852	Special arrangements to receive property for deposit in a safe or vault may be agreed upon between guest and innkeeper by written contract (i.e., higher limit may be agreed upon).	
	3853	No limit stated for Check or Receipt for Property Delivered for Safekeeping- Upon delivering any property to the proprietor or his employees, a guest shall demand and a proprietor shall give a check or receipt for the property as evidence of delivery. The proprietor is not liable for property unless the guest has actually delivered it, or unless the loss occurs through the negligence of the proprietor or employees.	
	3854	1. \$150 for each trunk and its contents; \$50 for each piece of luggage and its contents; \$10 for each box and its contents; and \$50 for all other miscellaneous effects, unless the innkeeper agrees in writing to assume greater liability. 2. Guest's property sent to the hotel before becoming a guest thereof or remaining in the hotel after ceasing to be a guest thereof, may be held by the hotelkeeper at the risk of the guest.	Nature of liability, other than specified in 3851 to 3853, is that of a depository for hire, except if the loss is caused by fire not intentionally produced by the innkeeper or employees.
Maryland	§15-103	(a) No liability for valuables not deposited with the hotel if: (1) the hotel provides a safe; (2) the guest does not deposit the valuable(s) with the hotel for safekeeping; and (3) the loss does not result for the collusion or negligence of the hotel or its agent. (b) For valuables deposited with the hotel: (1) \$300 for valuables unless guest shows the valuables to an agent of the hotel and declares a higher value. (2) \$1000 limit for property with a declared value exceeding \$300. (c) \$1000 maximum limit whether or not the valuables were offered to or accepted for safekeeping.	
	§15-104	\$300 for property other than valuables of a registered guest from the room of a registered guest	
	§15-105	\$75 for property a guest leaves with an agent or employee of the hotel at a checkroom if: (1) notice stating the limit of liability under this section is posted conspicuously; (2) the agent gives the guest an identification ticket that states the limit in 10 point or larger type and provides a space for declaring a higher value; and (3) the guest does not declare a value greater than \$75 on the identification ticket that the hotel keeps.	Notice Requirement - Limit of Liability

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	§15-106	\$300 for property a guest leaves with an agent/employee at a baggage room.	
	§15-107	No liability for property loss of a guest or other person resulting from a fire that is proved to have occurred without the negligence of the hotel or its agents/employees.	
Massachusetts	140-10	\$300 for property on a guest such as wearing apparel, articles worn or carried, personal baggage and money; \$1000 for valuables a guest deposited or offered to deposit for safekeeping with the innkeeper or other authorized agent; the limit of liability may be modified by special contract. \$1000 for property deposited in a security box in the room of any guest, provided the provisions of section 13 have been complied with.	Notice Requirement per 140-13- Innkeepers shall post a printed copy of 140-10 to 140-13 in a conspicuous place in each room of the hotel.
	140-11	Liability for property loss by fire or overwhelming force shall be that of only ordinary and reasonable care in the custody of guests' baggage or other property.	
Michigan	427.101	\$250 for guest's property generally; \$150 for a trunk and its contents; \$50 for a travel bag and its contents; \$10 for a package and its contents; a higher limit for a guest's personal effects may be agreed to by written contract.	Liability of an innkeeper is that of a depository for hire.
	427.102	\$250 for valuables received by the innkeeper for deposit in a safe; a higher limit may be agreed to by written contract.	Notice Requirement
Minnesota	327.71	1. \$1000 except as provided for in subdivision 6. 2. \$1000 for property delivered to an innkeeper for custody in a baggage room or area other than the guest room, except as provided for in subdivision 6. 4. \$1000 for property contained in the assigned room of a guest. 5. No liability for abandoned property of a guest, except as provided for in subdivision 6. 6. Fault or Negligence of the Innkeeper	Notice Requirement
	327.731		1. Liability- (a) a person who negligently or intentionally causes damage to the hotel is liable for damages sustained by the innkeeper, including loss of revenue; (b) a person who negligently or intentionally causes injury to a person or damage to property of a person on the hotel premises is liable; (c) a parent or guardian of a minor who commits acts described in (a) or (b) is liable for acts of that minor if an advance deposit is provided under 327.73(2) 2. Notice Requirement- Sections 327.73 and 327.731 must be posted clearly and conspicuously near the front desk and in the door of every guest room.
Mississippi	75-73-1		Notice Requirement- A copy of sections 75-73-3 and 75-73-5 shall be conspicuously posted in the general office or lobby, for the use of guests of every public inn and hotel.
	75-73-3		Any innkeeper who fails to comply with the notice requirements set forth in 75-73-1 shall be guilty of a misdemeanor and be fined; each day's failure is considered a separate offense.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	75-73-5	\$500 for guest's property received by the innkeeper for deposit in a safe; limit may be modified by special agreement with guest. -No liability for guest's property if the inn has an iron safe or suitable vault and keeps locks or bolts on the doors and windows of the guest room, unless the guest has offered to deliver the property to the innkeeper for custody in the safe and the innkeeper has refused to take it and deposit it in the safe and to give the guest a receipt therefore. No limit stated on innkeeper's liability for loss of guest's property caused by the theft or negligence of the innkeeper or any of his servants.	
	75-73-7	\$100 for each trunk and contents; \$25 for each valise and contents; and \$5 for each package and contents, unless greater liability is assumed by written contract. Exception- nothing in 75-73-7 shall prevent any guest from recovering at common law the actual value of the contents of any trunk, valise or package which, once in the care or custody of the innkeeper or in the rooms of the hotel, is lost through theft or the negligence, carelessness or omission of an innkeeper or his employee, and not through the negligence carelessness or omission of the guest.	Innkeeper's liability for personal property placed under his care by guests other than specified in 75-73-5 shall be that of a depository for hire.
Missouri	419.01	\$200 for money, jewelry, wearing apparel, baggage or other property of a guest; greater liability may be assumed by written contract. Liability applies when the property is "actually delivered" by the guest to the innkeeper or his agent	Notice Requirement- 419.010 shall be posted conspicuously at the guest registration desk and in every guest room.
	419.02	No liability for valuables, if the hotel has a safe suitable for the custody of money, jewelry and other specified valuables, unless the guest offered to deliver the property for custody in the safe and the hotel refused or omitted to take and deposit it in the safe and provide the guest with a receipt therefore.	Notice Requirement- 419.020 and 419.030 printed in large plain English type, constantly and conspicuously at the guest registration desk and in every guest room.
	419.03	No liability for merchandise for sale or sample of a guest, unless (1) the guest has given written notice of having such merchandise in his possession after entering the hotel; or (2) the loss is caused by the theft of such hotel or its servants.	
Montana	70-6-501	\$500 for all personal property of each registered guest; greater liability may be assumed by innkeeper in writing. The innkeeper is not liable if the loss is occasioned by "irresistible superhuman cause, by public enemy, by negligence of the owner, or by the act of someone whom he brought into the inn".	Notice Requirement- Innkeepers imposing this statutory limit must notify the guest at the time of registration the limit applies.
	70-6-502	No liability for apparel, goods, or personal effects of a guest where it appears that the loss occurred without the fault or negligence of the hotelkeeper or his employees.	
	70-6-504	No limit for guest's property deposited in a safe. No liability for guest's property not deposited in the safe, if the innkeeper keeps a fireproof safe and gives notice of it to the guest, unless the innkeeper's own acts contribute to the loss to guest's property not deposited with him and not required by the guest for present use.	Notice Requirement- The innkeeper must give notice to the guest, either personally or by printed notice in a prominent place in the guest room.
Nebraska	41-208	\$500 for guest's property deposited in the innkeeper's safe	Notice Requirement- Availability of Safe
	41-209	\$200 for any trunk and its contents; \$75 for any valise and its contents; \$25 for any package and its contents; and \$75 for miscellaneous other effects, unless the innkeeper has consented in writing with the guest to assume greater liability.	
	41-210	Limits of liability specified in 41-208 and 41-209 shall apply for 48 hours after the guest has ceased occupying the premises and paid his/her bill therefore.	

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	41-211	\$250 for guest's property left by a guest after he or she has departed from the hotel; higher limit may be agreed to in writing using forms provided by the hotel.	The liability of the proprietor, whether or not property loss was occasioned by the negligence of such proprietor or his agents, shall be that of a gratuitous bailee. Notice Requirement- 41-211 shall be printed in 10-point type or larger and conspicuously posted in the public areas and each room of the hotel desiring to obtain benefit from this section.
	41-212	\$500 for guest's property in transit to or from the hotel, whether or not such loss is occasioned by the negligence of such proprietor or his agents; higher limit may be agreed to in writing using forms provided by the hotel.	Notice Requirement- 41-212 shall be printed in 10-point type or larger and conspicuously posted in the public areas and each room of the hotel desiring to obtain benefit from this section.
	41-213	\$1000 for loss of guest's property arising out of the negligence of the proprietor or his agents; higher limit may be agreed to in writing using forms provided by the hotel.	Notice Requirement- 41-213 shall be printed in 10-point type or larger and conspicuously posted in the public areas and each room of the hotel desiring to obtain benefit from this section.
	41-214	No liability for guest's property if loss is not reported in writing to the proprietor within seven days from the time of discovery of such loss.	Note that this time limitation applies to the guest's discovery of the loss, not when the loss actually occurred.
Nevada	651.005		"Premises" (as used in 651.005-651.040) includes, but is not limited to, all buildings, improvements, equipment and facilities, parking lot, recreational facility or other land used and maintained in connection with a hotel.
	651.01	1. Not "civilly liable" for guest's property upon the premises because of theft, burglary, fire or otherwise, in the absence of gross neglect by the innkeeper. 2. Not civilly liable for guest's property left in a guest room if: (a) the innkeeper provides a fireproof safe in which guests may deposit property; (b) notice of this service is personally given to a guest or posted in the office and the guest's room; and (c) the property is not offered for deposit in the safe by the guest, unless the innkeeper is grossly negligent. 3. \$750 for guest's property deposited in the safe. 4. \$750 for any property, including but not limited to, property which is not deposited in the safe because it cannot easily fit within the safe, unless the innkeeper assumes greater liability through a written agreement.	
	651.03		Notice Requirement- Ever hotelkeeper shall post in a conspicuous place in the office and every bedroom of the hotel a printed copy of sections 651.010, 651.020 and 651.030. There is a penalty for violating the notice requirements.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
New Hampshire	353-1	\$300 for guest's property while in the room assigned to such guest. \$1000 for guest's property received for deposit in the hotel safe; a higher limit may be agreed to by written contract. No liability for guest's property not within the room assigned to such guest, unless the property is specially entrusted to the care and custody of the hotel keeper or his agents.	Safe Requirement - A hotelkeeper shall provide a suitable safe for guest's valuables. Notice required at the hotelkeeper's option in order to limit liability for items not placed in the safe.
New Jersey	29:2-2	\$5000 for guest's property deposited in the hotel safe; a higher limit may be agreed to in writing.	
	29:2-3	a. No liability for loss in 29:2-2 where it appears that the loss occurred without the fault or negligence of the proprietor. b. No liability for guest's property not in the room assigned to such guest, unless specially entrusted to the care and custody of the proprietor or his agents; \$1500 for guest's property specially entrusted to the proprietor or his agents.	
	29:2-4		Standard of Care of the Proprietor- the proprietor of a hotel shall be liable to any guest only for ordinary and reasonable care in the custody of valuables or other personal property belonging to such guest.
New Mexico	57-6-1	\$1000 for guest's property brought into the hotel by such guest when such loss is caused by the theft or negligence of a hotelkeeper or his servants. No liability for specified valuable guest property that the guest has neglected to deposit in the hotel safe.	Notice Requirement - Hotelkeeper shall post printed notice conspicuously in the rooms of such hotel that a safe has been provided, and the hotel shall not be liable for any valuables not deposited in the safe.
New York	200	\$1500 for guest's property deposited in the hotel safe; a higher limit may be agreed to in writing.	Notice Requirement - Hotelkeeper shall post printed notice of the availability of the safe in a public and conspicuous place and manner in the office and public rooms of the hotel.
	201	\$500 for guest's property in the lobby, hallways or in the room assigned to such guest, unless the loss occurred through the fault or negligence of the hotelkeeper. \$100 for guest's property delivered to the hotelkeeper for storage or safekeeping in the storeroom or baggage room; \$500 if a higher amount is stated and a receipt is issued by the hotelkeeper, unless such loss occurred through the fault or negligence of the hotelkeeper. \$500 for merchandise samples or merchandise for sale if the guest has provided written notice with the value thereof and the hotelkeeper has issued a receipt with his signature, unless such loss occurred through the fault or negligence of the hotelkeeper. \$200 for guest's property deposited in a checkroom and is evidenced by a receipt therefore and which no fee is charged; \$300 if a value in excess of \$200 is stated and a receipt is issued by the hotelkeeper, unless such loss occurs through the hotelkeeper's fault or negligence.	Notice Requirement - Section 201 shall be posted in a conspicuous place and manner in the office or public room of the hotel.
	203-A	\$250 for guest's property delivered to the hotelkeeper or his agent for transport to or from the hotel; \$500 if at the time of delivery, a value exceeding \$250 is stated and a receipt stating such value is issued by the hotelkeeper, unless such loss occurred through the fault or negligence of the hotelkeeper.	

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	203-B		Notice Requirement - Every hotelkeeper shall post sections 203-A and 203-B in a public and conspicuous place and manner in the registration office and public rooms of such hotel.
	204-A		Safety chain latches required on the inside of each entrance door to every guest room of a hotel.
North Carolina	72-2	\$100 for loss of guest's property resulting in the negligence and want of care of the innkeeper; innkeeper shall be liable for full value of guest's property if, prior to loss, such guest notifies the innkeeper in writing of the value of the property	Innkeeper has a duty to exercise "ordinary, proper, and reasonable care" in the custody of guest's property.
	72-3	\$500 for valuables received from a guest for safekeeping. No liability for valuables not deposited for safekeeping.	It is an innkeeper's duty to receive guest's property, not exceeding \$500 in value, for safekeeping upon request of the guest. The innkeeper must issue a receipt with section 72-3 printed on it.
	72-5		Any innkeeper against whom claim is made for loss sustained by a guest may show that such loss resulted from the negligence of such guest or of his failure to comply with reasonable and proper regulation of the inn.
	72-6		Notice Requirement - Every innkeeper shall keep posted in the office and every guestroom a printed copy of this Article (Chapter 72 Article 1. Innkeepers). This Chapter shall not apply to innkeepers, or their guests, where the innkeeper fails to keep such notice posted.
North Dakota	60-01-28		The provisions of 8-03-09 and 08-03-10 relating to the sale of unclaimed and perishable property applies to hotelkeepers.
	60-01-29	\$300 for guest's property deposited in the hotel safe.	Notice Requirement - Hotelkeeper to keep a copy of 60-01-29 in distinct type constantly posted in at least 10 conspicuous places in the hotel.
	60-01-30	A limit other than that specified in 60-01-29 may be established by special agreement in writing between hotelkeeper and guest.	
	60-01-31	No liability for guest's property that is not delivered to the proprietor or his servants for safekeeping, unless the loss occurred through the negligence of the proprietor or his servants.	
	60-01-32	For guest's property under the hotelkeeper's care other than that described in sections 60-01-29 through 60-01-31: \$150 for each trunk and its contents; \$10 for each package and its contents; \$50 for all other miscellaneous effects; unless the hotelkeeper agreed in writing to assume greater liability.	Liability for a hotelkeeper for property described in this section is that of a depository for hire.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	60-01-33		Guest's property sent to the hotel before becoming a guest thereof or remaining in the hotel after ceasing to be a guest thereof, may be held by the hotelkeeper at the risk of the guest.
Ohio	4721.01	No liability for loss suffered by guest if the innkeeper: (1) has in the hotel a metal safe or vault suitable for the custody of specified valuables; (2) keeps suitable locks or bolts on the guestroom doors and fastenings on the windows; and (3) keeps a copy of 4721.01 printed in distinct type conspicuously posted in specified places throughout the hotel; unless such guest has offered to deliver property to the innkeeper for custody in the safe and the innkeeper omitted or refused to take and deposit it and provide a receipt therefore.	Notice Requirement - Availability of Safe.
	4721.02	\$500 for guest's property to be deposited in the safe, whether received or not; higher limit may be agreed to by special arrangement in writing.	An innkeeper shall be liable for guest's property loss caused by the theft or negligence of the innkeeper or his servants.
	4721.03	\$150 for each trunk and its contents; \$50 for each valise and its contents; and \$10 for each package and its contents, unless the innkeeper has consented in writing to assume greater liability.	Liability for guest's property other than specified in 4721.01 and 4721.02 shall be that of a depository for hire.
Oklahoma	15-503		It is the proprietor's duty to equip the doors of all guest rooms with suitable night latches, night chains, or bolts on the inside of such doors.
	15-503a.	No liability for loss suffered by guest if: (1) the innkeeper has in the hotel a metal safe or vault suitable for the custody of specified valuables; (2) the innkeeper posts notice in a public and conspicuous place and manner in the office, public rooms, or guest rooms of the hotel of availability of the safe; and (3) such guest neglects to deliver property for deposit in the safe; regardless of negligence of the proprietor or his employees, fire, theft, burglary or other cause. \$300 for guest's property received for deposit in the safe, if the guest advises of the actual value of such property; a higher limit may be agreed to by written contract.	Notice Requirement - Availability of Safe.
	15-503b.	\$250 for guest's property brought into the hotel by any guest, whether such loss is occasioned by the negligence of such proprietor or his employees. No liability for guest's merchandise samples or merchandise for sale unless such guest provides the proprietor with written notice including the value thereof and a receipt is issued. \$100 for each trunk and its contents; \$75 for each valise and its contents; \$25 for each package; \$50 for all other miscellaneous effects; and the aggregate for the aforementioned shall not exceed \$250 unless such proprietor agrees to assume greater liability by written contract (these limits also apply to guest's property in transit to or from the hotel by the proprietor or operator thereof). \$50 for guest's property left at the hotel after the guest has departed.	The liability of the proprietor shall be that of a "gratuitous bailed" when guest property is left at the hotel after the guest has departed.
Oregon	699.01	No liability for loss suffered by guest if: (1) the innkeeper has in the hotel a metal safe or vault suitable for the custody of specified valuables; (2) the innkeeper keeps locks or bolts on the doors of guestrooms; and (3) the innkeeper keeps a copy of ORS 164.125 and 699.005 to 699.060 conspicuously posted in the hotel; unless such guest has offered to deliver the property to the innkeeper for custody in such safe and the innkeeper has omitted or refused to take and deposit it in such safe and provide a receipt therefore. \$300 for guest's property deposited in the hotel safe; a higher limit may be agreed to in writing.	Every innkeeper is liable for guest's property in the hotel, whether or not the property has been accepted for safekeeping, if the loss is due to the theft or negligence of the innkeeper or his servants.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	699.02	No liability for guest's property to be placed in safekeeping (elsewhere than the room assigned to such guest) unless (1) actually delivered by the guest to the proprietor or his servants for safekeeping or (2) loss occurred through the negligence of the proprietor or his servants.	It is the duty of the guest to demand and obtain a receipt for checked baggage or baggage held for safekeeping by the proprietor or his servants.
	699.03	\$150 for each trunk and its contents; \$ 50 for each valise and its contents; \$10 for each package and its contents; and \$50 for all other miscellaneous effects, unless the innkeeper has consented in writing to assume greater liability.	(1) The liability of an innkeeper for personal property placed by guests under the care of the innkeeper, other than specified in ORS 699.010 and 699.020, shall be that of a depository for hire. (2) For personal property at the hotel before the person becomes a guest or after the person has ceased to be a guest, the innkeeper may hold it solely at the risk of such person.
	699.04	\$50 for guest's property in all cases not covered by ORS 699.005 to 699.060, except when loss is due to the theft or gross negligence of the innkeeper or his servants.	
	699.06		Notice Requirement - Every innkeeper shall keep a copy of ORS 87.156, 164.125, 164.245 and 699.005 to 699.060 printed in at least eight point type posted in at least 10 conspicuous places in hotels having 250 or more guest rooms and posted in not less than five conspicuous places in hotels having less than 250 guest rooms.
Pennsylvania	37 P.S. § 61	No liability for loss suffered by a guest if: (1) the innkeeper has in the hotel a metal safe or vault suitable for the custody of specified valuables; (2) the innkeeper keeps locks or bolts on the doors of guestrooms; and (3) the innkeeper keeps a copy of 37 P.S. § 61 printed in distinct type, constantly and conspicuously posted in at least 10 places in the hotel; unless such guest has offered to deliver the property to the innkeeper for custody in such safe and the innkeeper has omitted or refused to take and deposit it in such safe and provide a receipt therefore. \$300 for guest's property delivered for deposit in the safe, whether received or not.	
	37 P.S. § 62	Limit and terms of property received for deposit in the safe may be altered by special agreement in writing between innkeeper and guest, however the innkeeper shall be liable for the property accepted for deposit if caused by the theft or negligence of the innkeeper or his servants.	
	37 P.S. § 63	No liability for guest's property to be placed in safekeeping (elsewhere than the room assigned to such guest) unless (1) actually delivered by the guest to the proprietor or his servants for safekeeping or (2) loss occurred through the negligence of the proprietor or his servants.	It is the duty of the guest to demand and obtain a receipt for checked baggage or baggage held for safekeeping by the proprietor or his servants.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	37 P.S. § 64	\$150 for each trunk and its contents; \$50 for each valise and its contents; \$10 for each package and its contents; and \$50 for all other miscellaneous effects, unless the innkeeper has consented in writing to assume greater liability.	The liability of an innkeeper for personal property placed by guests under the care of the innkeeper, other than specified in the preceding sections, shall be that of a depository for hire. For personal property at the hotel before the person becomes a guest or after the person has ceased to be a guest, the innkeeper may hold it solely at the risk of such person.
	37 P.S. § 65		Notice to Lock Guestrooms - whenever the proprietor of a hotel posts in a conspicuous manner, notice requiring guests to bolt or lock the doors of their rooms, if such guests neglect to do so, the proprietor shall not be liable for any baggage which may be stolen from such rooms. It is the burden of the proprietor to prove that the guestroom was not locked or bolted at the time of the loss.
Puerto Rico	§711		Provides definitions for terms such as "valuables" and "guest".
	§ 712.	No liability for guest property exceeding unless: the guest has deposited the property in the place and manner indicated on the notice; and (2) loss or damage occurs through the negligence of the innkeeper; in such instances the limit of liability is \$1,000 unless higher limit is declared in writing on the form provided to the innkeeper.	Safe Requirement - An innkeeper shall provide a suitable safe for guests' valuables. Notice Requirement - Availability of a Safe
	§ 713.	If it appears that loss to guest property (other than valuables described in §711) was due to the fault or negligence of the innkeeper: \$1,000 in the guest room; \$200 in any other place—including storage, baggage or check room—under the control of the innkeeper, unless a higher amount was agreed to in writing prior to the loss.	The innkeeper shall be liable for wearing apparel delivered to the innkeeper for cleaning, washing or ironing in an establishment operated by the innkeeper, if such loss occurs through the negligence of the innkeeper.
	§ 714.	No liability for property brought or left by a guest upon the premises of the hotel, except as provided in §§ 712 and 713. No liability for property loss resulting from fire, windstorm or other casualty, or resulting from any act, omission, or event not attributable to the fault or negligence of the innkeeper.	
	§ 715.	No liability for loss to motor vehicle or other conveyance while parked in any free parking lot maintained by the innkeeper. No liability for loss to personal property left in such vehicle or other conveyance while parked as such.	Exception- Nothing in § 715 shall be construed to relieve an person of liability for his own willful act.
Rhode Island	§ 5-14-1	No liability for loss (by theft or otherwise) suffered by a guest if: (1) the innkeeper has in the hotel a metal safe or vault suitable for the custody of specified valuable property; (2) the innkeeper posts in a public and conspicuous manner notice that a safe is provided; and (3) such guest neglects or fails to deliver such property for deposit in the safe. \$500 for guest's property received for deposit in the safe; higher limit may be agreed to in writing.	Notice Requirement - Availability of Safe.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	§ 5-14-2	No liability for guest's property not mentioned in § 5-14-1 when: (1) it appears that the loss occurred without the fault or negligence of the innkeeper; or (2) the guest's property is not within a room assigned to such guest, unless the property is specially entrusted to the care and custody of the innkeeper or his servants by special agreement in writing.	
South Carolina	45-1-40	No liability for guest's baggage, money or jewels if: (1) the innkeeper keeps posted in a conspicuous manner in the guestrooms a notice requiring the guest to bolt his room, upon leaving lock the door and leave the keys at the hotel office, and deposit money or jewels in the office safe; and (2) such guest neglects to comply with the requirements of the notice. If loss of guest's property is contributed to by the innkeeper's negligence, limits are: \$500 or actual cash value (whichever is less) for baggage or personal property; and \$2000 or actual cash value (whichever is less) for money or jewelry.	Notice Requirement - Bolts, Locks, Keys and Safe An Innkeeper who willingly contributes to the loss of guest's property shall not have his liability limited in any manner under the provisions of this section.
South Dakota	43-40-1	No liability for loss suffered by guest if the innkeeper: (1) has in the hotel a metal safe or vault suitable for the custody of specified valuables; (2) keeps suitable locks or bolts on the guestroom doors and fastenings on the windows; and (3) keeps a copy of 43-40-1 printed in distinct type constantly and conspicuously posted in each guestroom; unless such guest has offered to deliver property to the innkeeper for custody in the safe and the innkeeper omitted or refused to take and deposit it and provide a receipt therefore. \$300 for guest's property received for deposit in the safe.	Notice Requirement - Availability of Safe.
	43-40-2	Limit and terms of property received for deposit in the safe may be altered by special agreement in writing between innkeeper and guest, however the innkeeper shall be liable for the property accepted for deposit if caused by the theft or negligence of the innkeeper or his servants.	
	43-40-3		It is the duty of the guest to demand and obtain a receipt for checked baggage or baggage held for safekeeping by the proprietor or his servants.
	43-40-4	No liability for guest's property unless (1) such property is actually delivered by the guest to the proprietor or his servants for safekeeping or (2) such loss occurred through the negligence of the proprietor or his servants.	
	43-40-5	\$150 for each trunk and its contents; \$50 for each valise and its contents; \$10 for each package and its contents; and \$50 for all other miscellaneous effects, unless the innkeeper has consented in writing to assume greater liability.	The liability of an innkeeper for personal property placed by guests under the care of the innkeeper, other than specified in 43-40-1 to 43-40-4, shall be that of a depository for hire, except in the case of fire not intentionally caused by the innkeeper or his servants.
	43-40-6		A guest leaving property at a hotel after departure or before arrival shall be held at the owner's risk.
Tennessee	62-7-103	No liability for loss suffered (by theft of otherwise) by guest if: (1) the innkeeper has in the hotel office or other convenient place a safe suitable for the custody of specified valuables, including samples of merchandise; (2) the innkeeper notifies the guests thereof by posting notice in the guestrooms, in a conspicuous manner; and (3) such guests neglect to deposit such property in the safe.	

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	62-7-104	\$300 for guest's property deposited in the hotel safe as provided in 62-7-103; a higher limit may be agreed to by written contract.	Notice Requirement - Notice required per 62-7-103 shall include information contained in 62-7-104 as well.
	62-7-105	No liability for baggage or other guest's property other than specified in 62-7-103 and 62-7-104 if: (1) the innkeeper provides a checkroom or other convenient storage space for safekeeping; (2) the innkeeper posts notice in the lobby or office in a conspicuous manner that such checkroom has been provided; and (3) such guest neglects to deposit such personal property in the checkroom, leaving it in a place other than the assigned guestroom, provided that the loss is not due to theft by a hotel employee and that the proprietor makes no extra charge for the storing or checking of property.	Notice Requirement - Availability of Checkroom
	62-7-106	\$150 for guest's property, as specified in 62-7-105; a higher limit may be agreed to by written contract between hotel and guest.	Notice Requirement - Notice containing limitation of liability and requirement of written contract for greater liability shall be posted by the proprietor in a conspicuous manner in the lobby or office of the hotel.
Texas	2155.052	\$50 limit for guest's valuables if: (1) the valuables could reasonably have been kept in the safe; (2) the loss does not occur through the negligence or wrongdoing of the hotelkeeper or employee; and (3) a printed copy of this section is posted on the door of the guestroom. The above limit and terms do not apply if: (1) the guest offered to deliver the valuables to the hotel safe; and (2) the hotelkeeper did not (a) deposit the valuables in the safe and (b) issue a receipt for the valuables.	Section 2155.052 only applies to a hotelkeeper who (1) continuously maintains a metal safe or vault for the custody of specified valuables and (2) keeps suitable locks or bolts on guestroom doors and proper fastenings on guestroom windows.
	2155.053		A guest leaving property at a hotel after departure or before arrival shall be held at the owner's risk. The liability of the hotelkeeper is that of a gratuitous bailee.
Utah	29-1-1	No liability for guest's property if: (1) the innkeeper has on the premises a fireproof safe or vault; (2) the innkeeper notifies the guests thereof by posting this section in a prominent or conspicuous place in the office and in the guestrooms; and (3) such guests neglect to deposit such property in the safe. \$250 for guest's property deposited in safe, unless the value of the property is declared by the guest and a receipt is issued by the innkeeper.	Notice Requirement - Availability of Safe.
	29-1-2	Higher limit for property specified in 29-1-1 may be set by special written arrangement between hotel and guest. Innkeeper shall be liable for loss of any such guest's property in the hotel caused by the theft or negligence of the innkeeper or his servant.	
	29-1-3	For property other than that specified in 29-1-1, limits are as follows: \$150 for each trunk and its contents; \$50 for each valise and its contents; \$10 for each package and its contents, unless consented in writing with such guest to assume greater liability.	The liability of an innkeeper for the personal property placed in his care by guests shall be that of a depository for hire.
Vermont	3141	No liability for guest's property if: (1) the innkeeper has a safe in the hotel; (2) the innkeeper notifies the guests thereof by posting notice in a conspicuous place in the office and public parlors the fact that such safe is provided; and (3) such guests neglect to deposit or deliver such property to the person apparently in charge of the office; unless such loss occurs through want of ordinary care and diligence of such innkeeper	Notice Requirement - Availability of Safe.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
	3142	\$300 for guest's property delivered to the proprietor by the guest; a higher limit may be agreed to in writing.	
	3143	(a) No liability for articles known or used as "samples," unless such loss occurs through want of ordinary care and diligence of such innkeeper. (b) No liability for wearing apparel or personal baggage, unless such loss occurs through want of ordinary care and diligence of such innkeeper. (c) No liability for loss by "fire or overwhelming force" where such innkeeper has exercised ordinary and reasonable care in the custody of such guest property.	
Virginia	35.1-28	A. \$300 for wearing apparel, baggage and other guest property, when such loss occurs in the guestroom. No liability for specified valuables not deposited with the hotel office if notice is posted conspicuously in the guestrooms and office that such valuables must be deposited with the hotel office. \$500 for valuables deposited with the hotel office. No liability for guest's property taken from the guestroom if the guest has failed to lock the doors and windows. C. \$250 for guest's property in the case of fire or overwhelming disaster, unless the negligence of the hotel was the cause of the fire or overwhelming disaster. D. No liability for guest's baggage, hats, coats or other wearing apparel until such property is placed by the guest in the actual custody of an employee of the hotel or properly placed in the assigned guestroom.	A. Notice Requirement - Deposit of Valuables B. Burden of proof is on the operator of the hotel E. Nothing in this section shall be construed to change or alter the principles of law concerning a hotel's liability to a guest or other person for personal injury, nor to exempt in anywise the owner or operator of a hotel from being liable for the value of any property of guests taken or stolen from any room therein by any employee or agent of the hotel. F. A notice of this section shall be posted conspicuously in each guest's room.
Washington	19.48.030	No liability for guest's property if: (1) the proprietor has a safe or vault suitable for the custody of specified valuables in the hotel; (2) the proprietor notifies the guests thereof by posting notice in at least three public and conspicuous places in the office, elevators, halls, and entrances the fact that such safe is provided; and (3) such guests neglect to deliver such property to the person in charge of the office for deposit in the safe; whether or not such loss is due to negligence of such proprietor or his employees, theft, fire, burglary or other causes. \$1000 for guest's property deposited for safekeeping; a higher limit may be agreed to by special arrangement in writing.	Notice Requirement - Availability of Safe.
	19.48.070	\$200 for guest's personal property other than specified in 19.48.030; a higher limit may be agreed to by written contract. For a guest paying 25 cents per day for lodging: \$50 for each trunk and its contents; \$20 for each valise and its contents; \$5 for each package and its contents; and \$10 for miscellaneous effects. For a guest paying 50 cents per day for lodging: \$75 for each trunk and its contents; \$ 20 for each valise and its contents; \$10 for each package and its contents; and \$20 for miscellaneous effects. For a guest paying more than 50 cents per day for lodging: \$100 for each trunk and its contents; \$50 for each valise and its contents; \$10 for each package and its contents; and \$50 for miscellaneous effects, unless the proprietor has consented in writing to assume greater liability.	A guest leaving property at a hotel after departure or before arrival shall be held at the owner's risk.

JURISDICTION	STATUTE	STATUTORY LIMIT	COMMENTARY
West Virginia	16-6-22	\$250 for wearing apparel, baggage or other guest property when such loss takes place from the assigned guest room. No liability for specified valuables if the innkeeper has notice conspicuously posted in the guestrooms, office and reception area of the hotel that guests must deposit specified valuables with the hotel office, unless such loss takes place from the hotel office after such deposit.	It shall be the duty innkeepers to exercise due care and diligence in providing honest employees, and to take every reasonable precaution to protect the persons and property of their guests. Notice Requirement - Valuable Property to be Deposited with Hotel Office
Wisconsin	254.8	(1) A hotelkeeper who complies with subsection (2) is not liable for specified guest's property not offered for safekeeping. (2) A hotelkeeper is exempt from liability if he: (a) has doors on sleeping rooms equipped with locks and bolts; (b) offers, by notice printed in large plain English type and kept conspicuously posted in each sleeping room, to receive valuables for safekeeping; and (c) keeps a safe or vault and receives property when so tendered by a guest, except as provided in subsection (3). (3) \$300 for guest's property accepted for safekeeping; a higher limit may be agreed to in writing by hotel and guest.	Notice Requirement - Availability of Safe
	254.81	No liability guest's property unless it was delivered to the hotelkeeper for safekeeping or unless the loss occurred through the negligence of the hotelkeeper.	It is the duty of the guest to demand and obtain a receipt for checked baggage or other property for safekeeping by the hotelkeeper.
	254.82	No liability for loss of guest's property due to fire unintentionally produced by the hotelkeeper. The hotelkeeper is liable for loss of baggage or other guest property caused by theft or gross negligence of the hotelkeeper. The liability may not exceed: \$200 for each trunk and its contents; \$75 for each valise and its contents; \$10 for each package and its contents; and \$50 for all other effects, unless the hotelkeeper has agreed in writing to assume greater liability.	A guest leaving property at a hotel after departure or before arrival shall be held at the owner's risk.
Wyoming	33-17-101	No liability for guest's property if: (1) the innkeeper has an iron safe suitable for the custody of specified valuables in the hotel; and (2) the innkeeper posts notice conspicuously in the office and the inside of the entrance to every guestroom that he shall not be liable for the loss of valuables; unless such loss shall occur through the negligence of such innkeeper or his servant.	
	33-17-102		Notice Requirement - Specified language is provided to be included in the notices required to be posted by hotelkeepers.