

Model Innkeeper Statute Executive Summary

Each state has an “innkeeper statute,” a law that limits the innkeeper’s liability for a guest’s lost or stolen items, provided both the guest and the innkeeper comply with certain requirements. Compliance and consequences vary from state to state. The Model Innkeeper Statute suggests uniform terms for adoption by all states.

Current Law

Historically, if a guest’s property was lost or stolen while he or she was at an inn, innkeepers were held liable for the value of the property. The majority of states today have adopted a version of this common law rule.

A minority of states has adopted the *prima facie* liability rule, which presumes the innkeeper to be liable for the loss or damage to a guest’s property, but he may clear himself by proving that the loss did not occur through his fault or negligence or that of his employees.

Why the Need for a Uniform Innkeeper’s Limitation of Liability Statute

Lodging operators, insurance companies, and guests would all benefit from a uniform innkeeper’s statute. For both major and small hotel companies operating hotels in multiple states, and with the relatively high level of turnover in the lodging industry, it is difficult for hotel owners and operators to stay current with each state’s statutory requirements to limit liability. In order to do this, hotel owners and operators must be familiar with the statutory language in each state in which they operate.

Insurance companies that provide coverage to the hotels must keep up with the specific requirements of each state statute.

Guests, as well, would benefit from an adoption of a uniform statute. As people travel more than ever before, guests expect some certainty in their obligations when visiting a hotel. Guests would like to know what they must do when staying at a hotel to protect their personal property, whether they are in New York or in California. Additionally, a uniform statute developed today would embrace the societal changes that have occurred since most innkeeper statutes were amended over fifty years ago, including: (1) the increased value of property that guests travel with; and (2) guests’ property that didn’t exist fifty years ago, such as laptops that are typically too large for most safety deposit boxes maintained at the front desk and called for by most statutes today, and in-room safes.

A uniform statute would allow for consistent application and clarity of compliance requirements of an innkeeper’s limitations of liability.

Major Changes Proposed

Amount of Liability

A 50-state study, performed in 2007, revealed the average maximum liability for an innkeeper, under then-existing statutes, was \$703.00. If you adjust \$703.00 for inflation, as of 2007, the amount would be \$3900.00.

The model innkeeper statute proposes a cap of \$2500.00 or the value of the Valuable, whichever is less, if the loss did not occur through the innkeeper's negligence or as a result of theft by the innkeeper's employee.¹

Negligence of the Innkeeper

If a guest's property is stolen or damaged due to the innkeeper's negligence or if the guest's property was stolen or damaged due to theft by an innkeeper's employee, the majority of states hold the innkeeper liable for the full value of the property.

The model innkeeper statute proposes that, under some circumstances, the innkeeper is liable for only a limited amount.

In keeping with majority law, if a valuable is properly deposited but the loss is due to the innkeeper's negligence or due to theft by the innkeeper's employee, the innkeeper is liable for the full amount of the Valuable. No favorable public policy argument exists to allow innkeepers to escape the full liability of their own negligence.

However, as discussed above, if a valuable is properly deposited and the loss does not occur through the innkeeper's negligence or as a result of theft by the innkeeper's employee, the innkeeper's maximum liability is \$2500.00 or the value of the Valuable, whichever is less.

If the valuable is not deposited in a safe and the innkeeper was negligent or the loss occurred through theft by the innkeeper's employee, the innkeeper is liable for only \$300.00. The statute only protects the guest that complies with the statute. To receive protection under the statute, the guest must deposit the valuable in a safe.

If the valuable is not deposited in a safe provided by the innkeeper and the innkeeper was not negligent nor did the loss occur through theft by the innkeeper's employee, the innkeeper is not liable for any amount.

Definition of "Valuable"

The model innkeeper statute proposes the following definition for a Valuable:

¹ In keeping with current majority law, an innkeeper may waive the maximum amount of liability or enter into a special arrangement with the guest. The model innkeeper statute does not change this general rule; the innkeeper may always waive or enter into a special arrangement with a guest, which may result in a liability amount greater than \$2500.00.

“Valuable” shall mean any money, cameras, computers, other electronic devices, jewelry, jewels, bank notes, bonds, negotiable security, or other valuable documents, and any other items **that will fit** in the safe provided by the innkeeper.

Because many statutes have not been revised since the middle of the 20th century, the definitions of a “valuable” do not consider the types of items that guests travel with today, such as laptops, cameras, and sensitive company materials.

The model innkeeper statute updates the definition of a “valuable” to consider those items that many travelers with today.

Definition of “Safe”

The model innkeeper statute proposes the following definition for a Safe:

“Safe” shall mean a commercially viable lockbox, safe or vault, in good order and fit for safekeeping of Valuables, whether located in the individual rooms of the inn or behind the desk of the inn or at some other location controlled by the inn and its employees.

When many innkeeper statutes were enacted, the statutes only considered safes behind the front desk or in another area controlled by the innkeeper. Today, many hotels have safes in guestrooms. The model innkeeper statute proposes that the deposit of a valuable in a functioning in-room safe should be an appropriate deposit of safekeeping for valuables.

Frequent Traveler Defense Abolished

A minority of jurisdictions have allowed the “frequent traveler” defense. The defense asserts that because the guest is a frequent traveler, he or she should be aware of the limited liability statute and should not be allowed to recover damages.

The model innkeeper statute abolishes this defense.

Summary

The hotel industry may resist this proposed uniform statute due to its reluctance to changing the low liability ceilings currently in place. However, the benefits of the uniform statute exceed the disadvantages of the increased cap amount. As the case analysis shows, there have been varying interpretations of the innkeepers’ statutes among the states, which makes probable outcome predictability difficult.

A modification of the current law is needed to properly balance the legitimate interests of innkeepers and of guests; to bring the laws up-to-date so that they take social evolution and the development of in-room safes into consideration; and to provide clarity for the innkeeper in its compliance obligations.