



Hospitality Compliance-to-Capital Checklist

What lenders, insurers, and institutional partners review before capital moves

Purpose: Help hospitality operators assess whether their business is fundable, insurable, and scalable—or priced as high-risk.

The 8 Pillars of Hospitality Capital Readiness

Licensing & Legal Standing

- All licenses active and in good standing
- No unresolved violations or enforcement actions
- Ownership and management clearly documented

Capital Translation: Compliance = predictability.

Insurance Structured for Hospitality Risk

- General liability aligned with guest exposure
- Property limits reflect rebuild timelines
- EPLI reviewed for staff-heavy operations
- Cyber and crime exposures evaluated
- COIs issued properly to lenders and vendors

Capital Translation: Insurance signals operational maturity.

Claims History & Loss Narrative

- Claims history documented and explainable
- Corrective actions implemented after losses
- Incident response process in place

Capital Translation: Institutions don't fear losses—they fear patterns.

Financial Transparency

- Clean P&L and balance sheet
- Separate operating and ownership finances
- Taxes filed and current
- Revenue and occupancy reporting consistent

Capital Translation: If numbers don't reconcile, deals stall.



Workforce & Employment Practices

- Employee handbook in place
- Clear hiring and termination procedures
- Workers' comp classifications accurate
- Benefits strategy considered

Capital Translation: Labor instability equals underwriting risk.

Vendor & Contract Risk Transfer

- Vendor agreements reviewed
- Indemnification language understood
- Additional insured tracking system in place

Capital Translation: Risk should be shared—not absorbed.

Security & Incident Controls

- Surveillance systems documented
- Access control procedures
- Cash handling protocols
- Emergency response plans

Capital Translation: Security reduces loss severity and frequency.

Professional Infrastructure

- Insurance, legal, and accounting advisors engaged
- Professional digital presence
- No unresolved litigation exposure

Capital Translation: Institutions partner with institutions.

Capital Readiness Score

- 0–6: Operating stage
- 7–12: Insurable, high-cost capital
- 13–18: Capital-ready
- 19+: Institutional-grade hospitality operation