

A Hotelier's Guide: Managing U.S. Lawsuits from the Caribbean, Hotel Executive

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Resorts in the Caribbean Travel and Tourism industry should become increasingly aware and concerned about exposure to lawsuits outside of their jurisdictions as the significant growth in this industry and region continues to be statistically undeniable.

Indeed, according to the 2017 World Travel & Tourism Council (WTTC) Economic Impact Report for the Caribbean, notwithstanding terrorism concerns, political instability, health epidemics, and natural disasters, Travel & Tourism growth has generated 10.2% of the global GDP, and by 2027 the Travel and Tourism Sector is expected to support 380 million jobs and make a total direct contribution to the global GDP of USD83.3 billion- 17.7%.

According to the WTTC, most of the projected growth in the Caribbean region is expected to come from foreign visitor spending. Consistently, the most recently available 2016 Jamaica Tourist Board Annual Travel Statistics Report confirms that the United States has remained the most important supplier of tourists to the Caribbean region, with over 14 million Americans visiting the region most of which travelled to the Dominican Republic, Puerto Rico, Jamaica and The Bahamas.

However, Caribbean resorts face a challenge when these foreign visitors return to the United States and bring lawsuits against the resort in their resident states. When that happens, the resort is forced to defend these lawsuits throughout the entire United States, which is financially and logistically burdensome. The exposure to these lawsuits that resorts in the region face is even more heightened as many resorts have developed to not only offer accommodation services, but now also offer transportation, entertainment and excursion services—all of which carry significant tort liability. Whether the resort offers these additional services directly, or through affiliates, the high risk of exposure remains the same as it will likely still be named in a potential lawsuit filed in the United States.