
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported):

December 19, 2019

DiamondRock Hospitality Company

(Exact name of registrant as specified in charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-32514
(Commission
File Number)

20-1180098
(IRS Employer
Identification No.)

**2 Bethesda Metro Center, Suite 1400
Bethesda, MD 20814**
(Address of Principal Executive Offices) (Zip Code)

(Registrant's telephone number, including area code): (240) 744-1150

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	DRH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

This Current Report on Form 8-K (“Current Report”) contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as “believe,” “expect,” “intend,” “project,” “anticipate,” “position,” and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made, including statements related to the anticipated insurance coverage. These risks include, but are not limited to those risks and uncertainties associated with our business described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K filed on February 26, 2019. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this Current Report is as of the date of this Current Report, and we undertake no obligation to update any forward-looking statement to conform the statement to actual results or changes in our expectations.

ITEM 7.01. Regulation FD Disclosure

On December 19, 2019, DiamondRock Hospitality Company (the “Company”) issued a press release announcing the insurance claim settlement for Hurricane Irma, which significantly impacted the Havana Cabana Key West and the Frenchman’s Reef resort in St. Thomas in September 2017. A copy of the press release is furnished as Exhibit 99.1 hereto.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 hereto, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 8.01. Other Events

On December 18, 2019, the Company settled its insurance claim for Hurricane Irma, which significantly impacted the Havana Cabana Key West and the Frenchman’s Reef resort in St. Thomas in September 2017. Under the terms of the settlement agreement, the Company agreed to resolve its claim for \$246.75 million, including \$140.12 million paid to the Company to date. The outstanding settlement payment to the Company of \$106.63 million by the insurers is required to be paid within 30 days. As part of the terms of the settlement, the Company will not recognize any additional business interruption proceeds related to this claim.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are included with this report:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated December 19, 2019
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DIAMONDROCK HOSPITALITY COMPANY

Date: December 19, 2019

By: /s/ Briony R. Quinn

Briony R. Quinn

Senior Vice President and Treasurer



COMPANY CONTACTS

Jeff Donnelly
Chief Financial Officer
(240) 744-1190

Briony Quinn
Senior Vice President
(240) 744-1196

FOR IMMEDIATE RELEASE

DIAMONDROCK SUCCESSFULLY SETTLES FRENCHMAN’S REEF INSURANCE CLAIM

BETHESDA, Maryland, Thursday, December 19, 2019 - DiamondRock Hospitality Company (the "Company") (NYSE: DRH) announced today that it has reached a definitive settlement of its outstanding insurance claim related to Hurricane Irma, which significantly impacted the Havana Cabana Key West and the Frenchman’s Reef resort in St. Thomas in September 2017.

“We are pleased to bring our insurance claim to a very successful and amicable conclusion. The reimagined, world-class resorts - Frenchman’s Reef Marriott Resort & Spa and Noni Beach Resort, an Autograph Collection Hotel - remain on track to be reopened to guests in late 2020,” said Mark Brugger, President & Chief Executive Officer of DiamondRock Hospitality Company.

Under the terms of the settlement agreement, the Company agreed to resolve its claim for total insurance payments of \$246.75 million, including \$140.12 million paid to the Company to date. The outstanding settlement payment to the Company of \$106.63 million by the insurers is required to be paid within 30 days. As a result of the settlement, the Company will not recognize any additional business interruption proceeds related to this claim. Earlier in 2019, the Company had settled a separate claim for incremental damage caused by Hurricane Maria in the amount of \$1.44 million.

Composition of Hurricanes Irma and Maria Insurance Proceeds

	<u>Havana Cabana</u>	<u>Frenchman’s Reef</u>	<u>Combined Total</u>
Irma - Paid To Date	\$8.25 million	\$131.87 million	\$140.12 million
Irma - Settlement Proceeds	\$0.00 million	\$106.63 million	\$106.63 million
Irma - Total	\$8.25 million ⁽¹⁾	\$238.50 million ⁽²⁾	\$246.75 million
Maria - Total Paid	\$0.00 million	\$1.44 million	\$1.44 million
Combined Total	\$8.25 million	\$239.94 million	\$248.19 million

⁽¹⁾ The Havana Cabana portion of the claim was settled in July 2018.

⁽²⁾ Includes \$37.7 million of business interruption proceeds previously recognized, which is comprised of \$28.0 million of lost profit and \$9.7 million of reimbursed hotel expenses.

The cost to rebuild the Frenchman’s Reef resort complex is estimated to be approximately \$300 million. The expected sources of capital to fund reconstruction include:

- \$202.2 million of insurance proceeds, net of \$37.7 million of business interruption proceeds;
- a binding agreement to receive over \$20 million of brand key money upon opening;
- a pending application to receive \$30 million from the local government to reconstruct one wing of the hotel as a hurricane shelter; and
- approximately \$48 million of funding from the Company.

Moreover, the Company intends to seek recovery under the Hotel Development Act (Bill No. 33-0104), adopted by the U.S. Virgin Islands in 2019 to incentivize hotel rebuilding and development following the 2017 hurricanes. This act allows for the recovery of reconstruction costs not reimbursed by insurance proceeds. There is no guarantee that the Company will be successful in recovering such amounts.

The Company continues to forecast that the Frenchman’s Reef and Noni Beach Resorts will generate a combined \$25 million of EBITDA upon stabilization, which is expected to be approximately three years after reopening.

About the Company

DiamondRock Hospitality Company is a self-advised real estate investment trust (REIT) that is an owner of a leading portfolio of geographically diversified hotels concentrated in top gateway markets and destination resort locations. The Company owns 31 premium quality hotels with over 10,000 rooms. The Company has strategically positioned its hotels to be operated both under leading global brand families such as Hilton and Marriott as well as unique boutique hotels in the lifestyle segment. For further information on the Company and its portfolio, please visit DiamondRock Hospitality Company’s website at www.drhc.com.

This press release contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as “believe,” “expect,” “intend,” “project,” “forecast,” “plan” and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made, including statements related to the expected duration of closure of Frenchman’s Reef and anticipated insurance coverage. These risks include, but are not limited to: national and local economic and business conditions, including the potential for additional terrorist attacks, that will affect occupancy rates at the Company’s hotels and the demand for hotel products and services; operating risks associated with the hotel business; risks associated with the level of the Company’s indebtedness; relationships with property managers; the ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; changes in travel patterns, taxes and government regulations which influence or determine wages, prices, construction procedures and costs; and other risk factors contained in the Company’s filings with the Securities and Exchange Commission. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this release is as of the date of this release, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations.