Hi I’m Razelle with Farmer Brown Insurance Agency

If you own a restaurant, you need an insurance policy that provides the best coverage to give you peace of mind that your business is protected. This will allow you to focus on providing your diners the best experience possible. Welcome to our tutorial today in which we will talk about Restaurant Insurance.

The daily activities of a restaurant are subject to risk. Of course you try to be on alert to prevent any type of accidents, but what happens when a situation gets out of hands. This is when making a smart decision on your insurance will pay off.

So, what type of coverage do you need for your restaurant?

(Property coverage)

The type of coverage depends on different factors, but let´s start with the basics like Property. If you rent the establishment, you need to talk to your landlord about the contract specification regarding property insurance, and determine who will be responsible for what. But if you own the building, it’s always a good idea to ensure it to the correct amount of replacement cost in case of a major loss like a fire.

(Personal Property)

Also, insuring your personal property will help to rebuild your business in case of loss. It will cover you for what´s inside your Restaurant in case of a peril, in other words you will have the coverage for your tables, chairs, kitchen equipment, etc. Remember to take pictures of your items and make sure you have a clear idea of the price so you can get the appropriate coverage for it.

(Liability)

Another important type of insurance is liability. This particular coverage will protect you in the event somebody slips or falls or gets food poisoning and decides to sue you. Liability insurance will take care of your defense and settlement expenses.

Liquor Liability insurance

It´s also imperative to mention that Liquor Liability insurance is an important part of the standard business liability policy. So, if you are selling alcohol at your establishment you will need this coverage to protect you against the actions or eventualities caused by intoxicated people on your premises. This policy will be based on your gross liquor sales and the coverage limits you need.

Theft Coverage

Now, nobody likes to think about the idea of having a dishonest person working for you, but unfortunately it happens. No one is exempt from suffering a theft, that´s why we advise you to not disregard this coverage to protect your investment and in the worst case scenario be able to recover what you lost due to a dishonest person.

Spoilage Coverage

Also, one of the biggest problems that Restaurants deal with is food spoilage. If you have products that are worth thousands of dollars, would you be able to afford them if you lose it all in one night? Many Restaurant owners don´t seem to understand the importance of this coverage until the time comes and they need it because they lost their products due to an overnight power outage or a refrigeration equipment malfunction. It only takes a couple of hours to lose your meat because of a bacteria and consequently trigger a Salmonella outbreak which could destroy your reputation and later on your business. Obtaining this coverage is not expensive and it´s smart to protect your investment, so get a good Restaurant Insurance now, we can help.

Business interruption insurance (also known as business income insurance) is a type of insurance that covers the loss of income that a business suffers after a disaster. These amounts can be significantly larger than the initial claim itself. Take for instance a small kitchen fire that damages a small portion of your kitchen. The damage claim may only be $50,000 but your restaurant maybe closed for months as a result of clean up and repairs.

The income loss covered may be due to disaster-related closing of the business facility or due to the rebuilding process after a disaster.

It differs from property insurance in that a property insurance policy only covers the physical damage to the business, while the additional coverage allotted by the business interruption policy covers the profits that would have been earned.

This type of coverage is not sold as a stand-alone policy, but can be added onto the business property insurance policy.

The following are typically covered under a business interruption insurance policy:

Profits. Profits that would have been earned (based on prior months' financial statements.

Fixed Costs. Operating expenses and other costs still being incurred by the property (based on historical costs).

Temporary Location. Some policies cover the extra expenses for moving to, and operating from, a temporary location.

Extra Expenses. Reimbursement for reasonable expenses (beyond the fixed costs) that allow the business to continue operation while the property is being repaired.

We specialize on getting the best insurance policy according to your needs, we write in 50 states with A rated Companies. So give us a shot, get in contact or visit our website we will be happy to assist you.

Thank you again for your time and I hope this video is a good learning experience. We wish you the best for your Restaurant!!