

This 4<sup>th</sup> part in a 10 part series deals with spoilage coverage and what you need to know when purchasing it. As you will see, there are a couple pitfalls here that you will want to avoid.

[Spoilage protection](#) is coverage that almost every restaurant owner should consider purchasing. Of course, like all insurance coverages, you should consider the need and weigh that against the costs, but in most cases spoilage protection is fairly inexpensive and could be a real help if you lose your cooler, especially if it goes out at a time when it is full of prepped work for a large function. But as I mentioned, there are a few pitfalls to avoid when purchasing this coverage.

Spoilage protection is coverage that is typically added to your businessowners policy. And while that is a great convenience, it leads to our first pitfall – coverage limits. Take a few minutes to calculate your worst case scenario with a loss of the use of your cooler and make sure you know how much money you stand to lose if this happens at the absolute worst time. Now, make sure that you have at least that much spoilage coverage on your policy. You see, with add on coverages like this, often times the insurance company that designed the program simply has a flat amount of protection, say \$5000 or \$10,000 worth that comes with the spoilage coverage. But it is very important that you take the time to evaluate what you need here and then make sure that you can add that amount of spoilage coverage to your policy.

So what is the other pitfall? Well, this one is a bit more insidious and will take more research on your part. You should take a moment to read over the policy wording on your spoilage coverage to understand what requirements are being put on you in order for the protection to trigger in the event of a claim. Many of these spoilage endorsement forms require that you have a refrigeration maintenance agreement in place and that your refrigeration units are inspected at defined regular intervals. Failure to do so could make this coverage void so you see how important it is to know what you are dealing with in this area.

All of this points out just how important it is for you, as a restaurant owner, to purchase your insurance from an agent that specializes in restaurant insurance. There are just too many small print items that can come back to bite you.

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