

As an agent with hundreds of restaurant owners as customers, I sit at a crossroads between the insurance buyer and the insurance underwriter. With my finger on that pulse, I can often divine subtle changes in the restaurant insurance business. Sometimes the message is in what the underwriter is saying or asking and other times the message lies in what the underwriters is not saying or not asking. This article is a quick look at the state of affairs in [North Carolina restaurant insurance](#)

programs with the hope that a heads up warning will help restaurant owners stay a little bit ahead of the game as the rules change before their eyes.

Most of what I am hearing from my restaurant insurance underwriters is that their appetite for buying up accounts is waning. Of course, by buying up I mean pricing those accounts at something below an expected profit point. The losses have mounted up a bit against the insurance companies and as such, they are less interested in cut rate pricing in order to obtain the smaller sized, single location accounts. The pricing for the multi-location, [fast food restaurant insurance](#)

is still in a downward spiral, but the Mom and Pop establishments are likely to experience rate increases over the next few years.

A quick look at the most common types of insurance losses that we are currently seeing reveals first of all that the weather has taken its toll on insurance company profits in the restaurant insurance arena. Hail storms, tornadoes and other weather related claims have damaged roofs and rooftop equipment. The bottom line for many companies who specialize in writing small restaurant accounts is that these accounts are starting to show up as losers on their books. As such we are getting the beginnings of some rule tightening and other knee jerk reactions that are typical of underwriting companies who have suffered more losses than they intended.

Another interesting but disturbing trend is the increase in the frequency of medical payments claims and liability claims with large loss reserves. When I dig around in the details of some of the claims I am appalled by the notion out there by many restaurant patrons that incurring an injury on a restaurant's premises is a big payday opportunity for them. We even had a claim where an obese woman was transferring from her car to her wheelchair in a perfectly level and well maintained and lit parking lot and she basically missed the chair and landed on the pavement. She has now hired an attorney and is going after the restaurant owner for \$25,000. It's crazy. And that is only one of dozens of similar claims going on with many of our clients. Does a poor economy lend itself to more of this type of behavior? I don't know but it is discouraging.

So what can you, the owner of a small restaurant, do to protect yourself from these potential claims and potential rate increases? Well, first of all, make sure that you are doing business with an independent agent who lives and breathes restaurant insurance. An agent like this will have more than one go to market for your business and should be able to use that to help you get lower rates. Also, this type of agent will better understand the trends in restaurant insurance in your area and will better know how your policy should be set up in the first place.

Next, make sure that your own house is in order. Look around for places in your restaurant that might tempt fate and leave you with one of those bogus, costly and time consuming liability claims. Are there places where a customer could trip, or slip or hurt themselves somehow? If so, take steps to regularly look for and fix these areas.

At [Clinard Insurance Group](#), located in beautiful Winston Salem, NC, we insure over a hundred restaurants all over North Carolina and South Carolina. We want restaurant insurance buyers out there to be informed consumers. We freely share this kind of information because we truly care about restaurant owners. Restaurants are a very important niche business for us. If we can help you with any of your restaurant insurance questions, or if you would like a quote on your restaurant insurance, please call us, toll free, at 877-687-7557, or find us on the web at www.TheRestaurantInsuranceStore.com

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