

Most restaurant owners work their way through the maze of insurance policies that they need based on an agent's recommendations. If they have selected an insurance agent with experience insuring hundreds of other restaurants like theirs, then they will most likely encounter a suggestion from their agent that they purchase liquor liability insurance. Let's take a quick look at this protection to see what is involved in this type of policy.

First of all, this protection is expensive. And although this may sound counterintuitive, if it seems expensive, then you probably need it. The marketplace for liquor liability insurance is very competitive and the profit margins are not huge. That means if it sounds expensive, then this is a demonstration of how risky it would be for you to forgo this insurance policy. Some experts estimate that only about 35% of those who need this coverage are actually buying it.

Secondly, I want to mention here that if you are a restaurant as opposed to a true drinking establishment, you want to shop carefully for your liquor liability insurance and make sure that your underwriter fully understands your specific situation. There are rates for bars and rates for restaurants, as you can well imagine, the bar rates are much higher than the restaurant rates. The type of rates you are offered is usually decided by measuring the percent of your alcohol sales to your food sales. Watch out here, if you are a fine dining restaurant, then you could be trapped into bar liquor liability rates because you are selling expensive wines. This is an example of how using an experienced restaurant insurance agent can save you a lot of money.

Now, what should you look for in terms of the specific coverages on your liquor liability insurance policy? Find out if the defense costs in the policy are included as part of the limit of protection, or are unlimited and outside of the liability limit. This could be very important if you face a large claim. Often defense costs are as much as the limit itself and you don't want to run out of insurance protection, and the defense attorney's help midway through a claim.

The majority of the liquor liability claims against bars and restaurants are the result of fights. Be sure that your policy includes coverage for assault and battery.

Are your employees included in your liquor liability coverage? Do you know? If you sell alcohol, then some of your employees will drink it, even when it is against your rules. You want to be sure that employees are covered as patrons in case their drunken behavior generates a claim against your restaurant.

Last of all, read the definitions carefully to be sure that you have coverage for damages that are not physical. People can file claims against you for all kinds of mental anguish in the event of a fight or other physical or verbal outburst in your restaurant. You don't want to come up short because your liquor liability policy has restricted coverage for non-physical damages.

Clinard Insurance Group is the restaurant insurance agent for NC and SC restaurant owners. Our experience and huge list of restaurant clients means we can offer you the protection that you want at rates that will blow your mind. We have 5 different restaurant insurance specialty programs so that you don't have to buy coverages that you don't need to subsidize the wider program. We want our clients to be informed insurance buyers and we will take as much time as you need to make sure that you are comfortable with your choices. Please give us a call, toll free, at 877-687-7557 or visit us on the web at [www.TheRestaurantInsuranceStore.com](http://www.TheRestaurantInsuranceStore.com).