

While most of my restaurant insurance blog articles cover topics where insurance is the primary risk management tool, in this article I want to talk a little bit about thinking outside of the box in terms of risk management for your restaurant.

Restaurant insurance is the best place to start when a restaurant owner is trying to work through protecting his or her restaurant from risk exposures out there that can cost money and time. And insurance is great for those types of risks that could wipe out your restaurant overnight like fire and explosion and food contamination. But there are a myriad of other, smaller risks out there that may or may not be insurable. For those kinds of risk exposures a restaurant owner must be more creative.

Here's a story of a real life, outside the box, kind of creative risk management approach that was used when insurance was not a viable choice. When Neil Armstrong was preparing for his mission to the moon he knew that there was a pretty sizeable chance that he wouldn't return safely. With this in mind he set out to protect his family's financial health should he perish on that trip. He quickly found out that life insurance was not going to be an option. The life insurance companies really didn't have any data to go on to measure the risk and so the rates that they would have to charge Mr. Armstrong were so high as to make life insurance an unaffordable option.

What Neil Armstrong and the other astronauts on that mission did next was a great example of outside of the box risk management thinking. They decided that if they didn't come back, that they needed something that their families could sell to put them on firm financial ground. They decided that their autographs would serve that purpose perfectly. They then sat down and signed hundreds and hundreds of envelopes and stamped them. On the day that they blasted off for the moon, a friend took these envelopes by the post office and had the stamps canceled and thus date stamped each envelope. If they didn't return from their mission, then their families could sell these autographs to raise money.

We all know that the moon landing mission was a great success and that all the astronauts did return safely to their families. But over time, some of these autographed envelopes have made their way into the marketplace. Recently one sold on ebay for over \$30,000! This validates that these clever astronauts had found a way to reduce the risk of financial misery for their families with their plan.

I know this story doesn't give you any concrete solutions for the risks that you face in your restaurant every day. But what it does do is give you an example of how looking at a risk exposure from a completely different perspective may help you find a solution that suits you. When doing this, always question all of your assumptions first. Anything that you are automatically assuming to be true and constant needs to be carefully evaluated. I have found that solutions often present themselves when you challenge your own assumptions.

If you would like help with out of the box risk management thinking, or if you would like help with your restaurant insurance policies, I hope you will call us. We insure hundreds of restaurants in 5 different states and we would love to help you make sure that your restaurant insurance is exactly what you want and found at a price that will surprise you in a pleasant way. Call us, toll free, at 877-687-7557 or visit our restaurant insurance web page at www.TheRestaurantInsuranceStore.com