

Food contamination for restaurants is a relatively rare occurrence among the nearly 1 million eating establishments in the United States. But, just one food contamination claim has the potential to drive a restaurant into bankruptcy. For this reason alone, it is very important that restaurant owners take the time to be sure that they have adequate insurance protection against this risk, and that they understand exactly what it takes to trigger their policy into action if they do have a food contamination loss.

For so many restaurant owners, when they purchase their restaurant insurance, they don't really take the time to carefully study the food borne illness and food contamination clauses in their policy. In fact, most restaurant owners don't even question the limit of protection offered by their policy, they just accept it and move on. This is because if they have food contamination coverage, it is part of an add on menu of additional coverages and comes with its own predetermined sublimit. In most cases the sublimit is about \$10,000 but how can that one size fit the needs of every restaurant out there? Of course it cannot. So what you must do is take some time to make a good estimate of the loss of income that you would suffer if your restaurant had a food contamination event. Then seek out the [restaurant insurance program](#) that will allow you increase that limit of coverage to a number that more accurately reflects your restaurant's true exposure. There are insurance companies out there that can take this limit much, much higher.

The next part of this insurance coverage that the restaurant owner needs to understand is the trigger that will activate the coverage. The most common definition of food contamination in restaurant insurance policies is one that includes the occurrence of food poisoning, or the suspected food poisoning of one of more of your customers resulting from tainted food purchased from you. Often the definition also includes a communicable disease transmitted by one of your employees. Now, be sure to take it a step further and read the definition in the policy of communicable disease. Often this definition refers to bacterial microorganisms that are transmitted by food. Be careful here; this kind of definition implicitly means that viruses transmitted are not covered.

On the broader side of the spectrum, some policies have a trigger that may be as broad as an announcement made by a board of health or other governmental authority. In some cases even a media announcement can trigger the coverage. Shop around for these more broad definitions because a media announcement even without the board of health announcement could be enough to destroy your restaurant, or at the very least require you to spend a lot of money to protect and restore your reputation.

So what are some of the sublimits within the food contamination protection that you should look for and evaluate? There are at least 3. First of all, there is the cost of cleaning and decontaminating your equipment and the cost to replace the tainted food. Next you should consider the additional advertising expenses associated with protecting and restoring your restaurant's reputation. Last of all you may need protection for expenses incurred for the inoculation of your restaurant patrons. Each of these protections may or may not exist in your food contamination protection and each will have its own sublimit. Review those sublimits carefully to be sure that what you are buying is adequate to do the job.

It should be clear, just by studying this one loss exposure that every restaurant owner could face, that buying restaurant insurance is a much more complex process than just looking for the lowest price. In fact, restaurant owners need to seek out an agent that specializes in restaurants, one that can bring the kind of expertise and experience to the relationship that will help the restaurant owner fully understand and evaluate exactly what he or she is buying. At Clinard Insurance Group, we insured over 100 restaurants all across North Carolina and South Carolina. We have developed 5 different restaurant programs to help meet the varying needs of the restaurant owners out there. From our [fine dining restaurant insurance package](#), to our [casual dining restaurant insurance program](#), not to mention our [fast food restaurant insurance program](#) and our [bar and grill insurance program](#), and even our [caterers insurance program](#), we have a policy that will help you sleep well at night. Give us a call with any of your restaurant insurance questions, toll free, at 877-687-7557 or visit us on the web at [www.TheRestaurantInsuranceStore.com](http://www.TheRestaurantInsuranceStore.com)

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