

Although the great recession has been declared to be over, restaurant owners know that their clients are not back visiting them in the numbers that they were before late 2007. Smart restaurant owners realize that they have to work a bit harder for those additional dollars of revenue. I am seeing some clever ideas out there that tell me that entrepreneurship is alive and well in the restaurant industry. The problem is that many restaurants begin to implement their new ideas and marketing concepts without first consulting their insurance agent. Let's face it, the time to find out if something is covered is not the day that an attorney sends you lawsuit papers. So what are some of the new ideas and trends that might get restaurant owners in trouble with their restaurant insurance policies?

This list below is not exhaustive, but should serve as examples of why you should keep your insurance agent in the loop on any plans or changes that you have regarding your restaurant and how you operate.

Delivery – In order to capture some of their lost revenue from better days, more and more restaurants are adding delivery service to their portfolio of products. Delivery service can certainly help boost your revenue but this feature comes with some risks and some costs. Here are just a few questions that you would want to ask yourself. Who will own the delivery vehicles? Who insures them? How will the drivers be trained and what must you do to make sure that they don't hurry out there to deliver hot food and in the process end up killing someone? And what is the correct insurance to have in place to protect your restaurant?

Another trend I see is the addition of catering or other services to a restaurant's existing line up of services. Catering brings on new and fresh liabilities, from the standpoint of transportation to the fact that you are setting up a restaurant operation off premises from your current restaurant. Will your current policy cover your off premises liability? What about the increased risk of food spoilage at this location. And don't forget the risk of loss to your food while in transit. Any of these issues may require a change to your restaurant insurance program to make sure that you have the coverage you need in place.

Some restaurants are doing a bit of niche marketing by offering trendy foods aimed at a particular economic or political segment of the marketplace. We see more emphasis on locally grown foods or foods with only organic ingredients as well as assurances about non allergenic foods and ingredients. What if these assurances fail? What if the locally grown food is a source of food contamination? Is your policy set up to handle these additional exposures?

Last of all there is a trend toward more flexible payment options for patrons. Some restaurants are looking at accepting online payments and payments from smart phones. There are even restaurants out there that have created their own smart phone apps that allow them to pay their bill from the app itself. But what are the fiduciary liability issues associated with these new conveniences? Do you have coverage for these new exposures?

It's clear to me that a solid partnership between the restaurant owners and his or her insurance agent is a key component to protecting your restaurant from risks of loss. It is therefore very important for each restaurant owner to seek out an agent that they can trust, and more importantly, one that has vast experience insuring restaurants like their own. Your restaurant insurance program should not be a training program for an insurance agent that you happen to know or one of your family members. The risks are just too high and the problem is just too complex. Besides, when you utilize an agent who understands restaurants and who insures a hundred or more of them, then you will more than likely save money on your restaurant insurance policies as well.