

Many restaurant owners, when thinking about their insurance needs, tend to focus primarily on their businessowners policy. This policy is the catch all for many of their insurance needs from property to liability exposures and many others in between. One policy option that gets short shrift is the commercial umbrella insurance policy. This policy option should not be dismissed out of hand and may be able to provide a restaurant owner with additional peace of mind about protecting his or her livelihood.

Most businessowners policies have a liability limit of \$1,000,000 as the maximum amount of protection that you can buy. Some allow for slightly higher limits but for most, \$1 million is the fixed maximum. But that is just a round number, chosen by the underwriters who designed the policy. This round number may or may not have anything at all to do with your restaurant's liability exposure. You should take the time to carefully analyze all of the things that could go wrong and lead to a liability claim against your restaurant. Then try to evaluate the worst case scenario and make sure that you have enough liability insurance in place to protect yourself. If not, the commercial umbrella policy is the way to increase those limits.

The commercial umbrella policy can provide a higher liability limit over and above your businessowners policy, your commercial automobile insurance policy as well as your workers compensation insurance policy. Of course insurance companies put limits on how high they can go with these limits but most can write at least an additional \$5 million while many can get to \$10 million as well. Now bear in mind that most all commercial umbrella policies have a feature called the self insured retention. This is really just a fancy name for a deductible. These retentions are generally in the \$10,000 range for commercial umbrellas. I have seen a few insurance companies that will waive the self insured retention if you have all of the underlying policies such as the businessowners policy, workers compensation policy and business auto policy insured with the same company that provides the commercial umbrella insurance policy.

It is important to never just accept the limit of coverage provided by any insurance policy if in fact you feel that you need a higher limit of protection. The commercial umbrella policy is a good alternative for those who need more coverage than that provided by their underlying insurance policies.