Secrets of Insuring Restaurants – Claims Review

Objectives

- Review perils typical to restaurant claims
- First steps when a claim occurs
- Impact of claims on a restaurant & insurer
- Common claims scenarios using case studies

Restaurant Industry Statistics

2026 Restaurant Industry Overview

- 9 in 10 Restaurants Have Fewer Than 50 Employees
- Sales: $1.55 Trillion (projected)
- Locations: 1 Million+ Outlets
- Employees: 15.8 Million

*Source: National Restaurant Association,
2026 State of the Restaurant Industry

Common Claims Categories

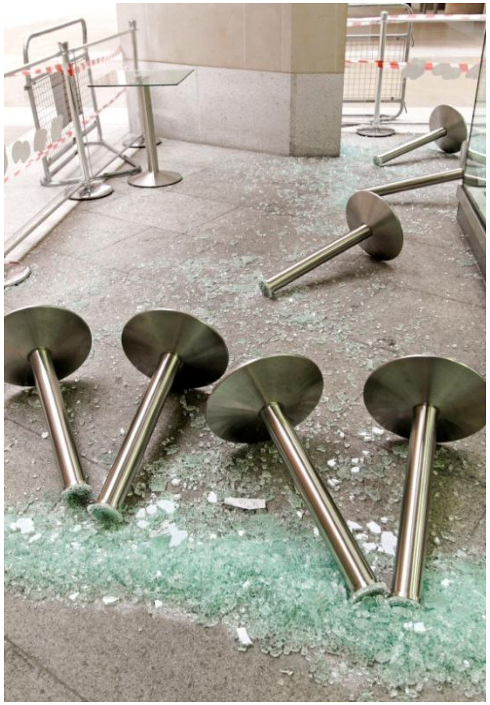
- Property
  - First Party
    - Real & Business Personal Property
    - Business Interruption
    - Extra Expense
    - Trade Fixtures/Equipment

Common Claims Categories

- General Liability
  - Third Party
    - Slip & Fall
    - Food-Borne Illness
    - Liquor Liability

Common Restaurant Perils

- Property
    - Fire
    - Hurricane
    - Vandalism/Theft
    - Motor Vehicle Damage



Common Restaurant Perils

- Liability
  - Slip & Fall
  - Food Poisoning
  - Liquor Liability

Claims Preparedness

- Property
  - Contingency Plan
  - Established Vendors
  - Emergency Supplies
  - Advance Review of Documents

Claims Preparedness

- Liability
  - Evacuation Plan
  - Trained Staff
  - Warning Signs
  - Map of Premises/Design Plans

Claims Checklist

- Property
  - Respond to Mitigate Loss
  - Take Photographs
  - Limit Traffic in Area
  - Contact Restoration Crews

Potential for Business Interruption

- Property
  - Seasonal Operations
  - Salary vs. Hourly Workers
  - Extended Closure

Potential for Subrogation

- Property
  - There may be a party to blame
  - Maintain control of evidence
  - Gather all third party reports
- Liability
  - Protect restaurateur
  - Sharing of information
  - Incident & witness reports

Claims Checklist

- Liability
  - Obtain Statements
  - Take Photographs
  - Retain Evidence
  - Do not give information

Common Challenges

- Property & Liability
  - Response
  - Documentation
  - Communication
  - Mitigation

Property Claim Scenario #1

- Facts
  - Fire
  - Originated in Grease Duct
  - Vent Suppression Engaged
  - Equipment Exposed to Water
  - Discarded Without Permission

Property Claim Scenario #1- Continued

- Concerns
  - Retain Equipment
  - Repair vs. Replace
  - Lead & Install Time
  - Code Requirements

Property Claim Scenario #2

- Facts
  - Hurricane Irene & Flooding
  - Location in Flood Zone
  - Water Heights of 18”+
  - Triple Net Lease

Property Claim Scenario #2 - Continued

- Concerns
  - Primary FEMA Flood Policy
  - Environmental
  - Landlord Involvement
  - Seasonal Business/Work Force

Property Claim Scenario #3

- Facts
  - Motor Vehicle Damage
  - Building Owned by Restaurant
  - Quick Response for Mitigation & Reconstruction
  - Business Interruption Followed by Grand Re-Opening

Property Claim Scenario #3 - Continued

- Concerns
  - Exposed Utility Lines
  - Continued Operation/Closure
  - Valuation – Like Kind & Quality
  - Lead Time
  - Code Upgrade Potential

Property Claim Scenario #4

- Facts
  - Vandalism/Theft
    - Vacant/Unoccupied Building
    - Theft of Rooftop Equipment
    - Theft of Interior FF&E
    - Triple Net Lease
    - Tenant Closed Site

Property Claim Scenario #4 - Continued

- Concerns
  - Document Condition (Pre & Post)
  - Listing of Equipment Inventory
  - Site Access/Security
  - Ownership/Lease Documentation
  - Subsequent Exposure

Liability Claim Scenario #1

- Facts
  - Slip & Fall
    - Woman Accompanied by Family Fell Outside
    - Refused Medical, Visited Doctor Following Day
    - Had Pre-Existing Condition
    - Post Event Surgery, Leading to Infection

Liability Claim Scenario #1 - Continued

- Concerns
  - Take Your Victim as You Find Them
  - Condition Causing Injury
  - Signed Report of Incident

Liability Claim Scenario #2

- Facts
  - Liquor Liability
    - Woman Arrived at 5:30pm, Bartenders on Duty
    - Ordered 2 Mixed Drinks
    - Fatality Auto Accident

Liability Claim Scenario #2 - Continued

- Concerns
  - Intervening Circumstances
  - Drunk Driver's Reputation
  - Business Activity at Time
  - Drinks & Food Consumed

Liability Claim Scenario #3

- Facts
  - General Liability
    - Bar Fight
    - Rival Sports Teams
    - Severe Injury

Liability Claim Scenario #3 - Continued

- Concerns
  - Patron History – Untoward Behavior
  - Assault & Battery – Failure to Provide Security
  - Establishment Did Not Have Insurance

Questions & Answers

Thank you!

Jay Stoetzer

Hospitality Insurance Specialist

7001 N Cherry St, Suite 201

Gladstone, MO 64118

Phone: 816-384-7738

Email: jay@insure247.com