Top business insurance every restaurant needs

Business insurance gives your restaurant, deli, café, diner or bar protection in case of injuries, damages and, more generally, accidents. You are all set to get cooking, good looking, here is what you need to know about insurance:

For a Food Service Company, there are two main insurance dishes: While Workers’ Compensation is mandatory, a General Liability or a Business Owners Policy is recommended.

Workers’ Compensation

Employee accidents, e.g. one of your cooks burns his hand on a pan or a waiter that trips over a chair, are costly. Last year, New York registered for restaurants 50,480 workplace accidents, mainly caused by contact with an object (e.g. a hot pan) and exposure to harmful substances (e.g. grease), with a median 6 days away from work (cf. [OSHA](https://www.osha.gov/oshstats/work.html)). Workers Compensation would cover medical cost, missed wages & indemnity.

General Liability

This policy covers injuries sustained by your customers & business partners, e.g. a customer slipping in your restaurant and foodborne illnesses. The last thing you want to do is arguing in court over who is at fault if one of your customers burned their tongue on a hot plate!

Also covered are two more things: Firstly, you are protected against third-party property damages, e.g. a kitchen fire if you rent your real estate, or a “drowned” customers laptop if one of your waiters spilled a drink. Secondly, the policy shields you from Personal & Advertising injuries, e.g. when you are too “confident” in your recent marketing material and gossip about your competitor, who in turn files a libel & slander claim, as well as, if you improperly used someone else’s pictures and infringed a copyright.

Business Owners Policy

With a Business Owners Policy (“BOP”) you can enjoy a bulk discount, as it bundles General Liability with Property Liability and Business Interruption Insurance. As General Liability only covers third-party damages, you need a BOP if you own valuable property, such as your real estate, kitchen appliances, electronics or furniture, as those are covered as well. Fire is the most obvious threat, as over 30% of all non-residential fires are caused by cooking, followed by electronics, appliance or heating malfunctioning (18%, cf. [FEMA](https://www.usfa.fema.gov/downloads/pdf/statistics/nonres_bldg_fire_estimates.pdf)), moreover, BOP would also cover repair cost & restauration in cases of vandalism, theft and natural perils, such as a windstorm.

Also included is a Business Interruption Insurance, that covers expenses and missed income for closed days. While not being able to serve your customers after a devastating accident, is bad enough, this policy would shield you from ongoing expenses (such as utility cost) and missed income, letting you focus on repair & rebuild your restaurant.

What would be a main dish without topping? General Liability & BOP can (and should) be bought with endorsements that enhance your coverage.

Liquor Liability Insurance: You know when to cut someone off but some things are simply out of your control. If an intoxicated customer injures someone, damages property or engages in illegal activities, your establishment can be held responsible. This policy covers the cost of a lawsuit and your carrier will defend you in court.

Supply Chain Coverage: In case your supplier can’t deliver the fresh ingredients, your insurance will cover missed income.

Equipment Breakdown Coverage: Men against Machine, if your equipment fails you, your insurance does not. This policy covers lost income and failure damages in case your kitchen puts you on the back burner.

Employee Dishonesty Coverage: It’s hard to find good people, right? This policy will help to recover losses if one of your employees steals money or property.

What sides are on the business insurance menu?

Commercial Vehicle Insurance: If you own or rent a car to source ingredients, deliver food or other commercial purposes, coverage would be excluded under a regular/private car insurance.

Cyber Insurance: It’s the 21st century, you have an eye-catching website and your own ordering system. If you are saving (any) data on your customers, you are exposed to potential hacking attacks. Cyber insurance would cover reputational reparations & lawsuits in case of a data breach.

Employment Practices Liability Insurance: It’s getting hot in here (the kitchen), it is a high-stress work environment with many arguments and disputes. This policy will cover legal cost and settlements in case a (former) employee files a lawsuit against you.

Inland Marine Insurance: Why limit your joy to one location? If you cater events or transport equipment frequently, this policy is for you. It covers property in transit, meaning that the insurance will pay for damages arising while (un)loading or theft.

Your budget is notoriously tight, and you should plan your insurance purchase carefully. Visit linchpin.app to learn more about your coverage options and use our premium estimate calculator.