

Restaurant Underwriting Guidelines

General Restaurant Guidelines: We are looking for the **family operated, well-established and profitable** restaurant meeting the following preferred account guidelines.

- The business should be in operation for a minimum of 3 years at the present location.
- Submissions must have documentation showing a strong financial history and acceptable 3-year loss history.
- Total property values not to exceed \$2,000,000 (frame not to exceed \$1,000,000).
- The risk must be located in Protection Class 8 or better.
- Buildings must be in compliance with current state and local building codes. This includes, but is not limited to, plumbing, electrical and life safety standards. The heating, air-conditioning, refrigeration and electrical systems must comply with NFPA guidelines. If the restaurant is located in a building which may not meet current codes, refer to Company.
- Acceptability is contingent upon a favorable loss control survey.
- A submission will not be eligible if the owner(s) have had a prior business license suspension or revocation, or have had prior coverage canceled or non-renewed within the past 5 years.

Restaurant guidelines for all classes of restaurants:

- Catering operations must not exceed 20% of total receipts.
- Sales of beer, wine or liquor no greater than 30% of total receipts.
- If risk has a BYO (Bring Your Own) Liquor exposure, employees must receive TIPS training.
- No more than 7,500 square feet in total floor area.
- No seasonal operations (risk that are closed for more than 30 consecutive days).
- All cooking must be in compliance with NFPA Standard 96:
 1. The risk must have an automatic extinguishing system that covers hoods, ducts and all surfaces of the grills, ranges, deep fat fryers and broilers.
 2. Extinguishing system must be a wet system meeting UL 300 Standards.
 3. The risk must have a current contract for semi-annual inspection and maintenance for the automatic extinguishing system, hood and ducts.
 4. System temperature settings of systems with detectors must be set at specified levels.
 5. Specific types of portable fire extinguishers must be made available in the kitchen, and compatible extinguishing agents are required in the hood and duct fire protection system.
 6. All deep fat frying units must be equipped with separate maximum limit controls that will shut off the fuel source when the temperature reaches the level described in NFPA Standard 96.
 7. Minimum clearance standards as described in NFPA Standard 96 for the distance between the hood, duct and any combustible construction must be adhered to.
- No Table-side cooking
- Banquet hall operations must not exceed 30% of total receipts.
- No delivery service.
- No dance floors.
- No live entertainment (including karaoke) other than incidental music, such as piano playing provided by the establishment
- No playgrounds.
- No athletic facilities.

Limited Cooking Restaurants –

Limited cooking restaurants are those where foods are prepared cold or cooked using appliances which do not emit smoke or grease-laden vapors that require an exhaust system. No grilling, open broiling, deep fat frying, roasting, barbecuing, solid fuel cooking or other processes capable of producing grease-laden vapors requiring an exhaust system are permitted.

- Seating capacity no greater than 75
- With or without table service
- No bar or cocktail lounge

Fast Food Restaurants –

Fast food restaurants are those that contain the following cooking processes capable of producing grease-laden vapors requiring an exhaust system: grilling, enclosed broiling, deep fat frying, roasting or barbecuing. Open broiling, including table side cooking, and solid fuel cooking are not permitted.

- Seating capacity no greater than 150
- With or without table service
- No bar or cocktail lounge

Casual Dining Restaurants –

Casual dining restaurants are those that serve moderately priced food in a casual atmosphere to patrons who generally order and are served while seated and pay after eating. Take-out service and the use of a buffet may also be available. These restaurants may serve no alcoholic beverages; serve beer and wine only; or serve beer, wine and liquor.

- Seating capacity no greater than 150
- No “happy hours” or similar promotions
- No bar operations during hours when full table service is not also available. Bar operations for the sole purpose of consuming alcoholic beverages are not permitted.
- Open broiling, including table side cooking, and solid fuel cooking are not permitted

Fine Dining Restaurants –

Fine dining restaurants are those that provide quality food and alcoholic beverages prepared by highly trained chefs and served with a great deal of attention to customers by waitstaff. These restaurants typically have valuable business personal property consisting of furniture, tableware, lighting, art and other items of décor.

- Seating capacity no greater than 150
- No “happy hours” or similar promotions
- Bar operations for customers who are seated, or waiting to be seated, in the restaurant only
- Maitre’d supervision of waitstaff and to control customer turnover
- Chef supervision of food preparation and other kitchen operations
- Open broiling, including table side cooking, and solid fuel cooking are not permitted

Liquor Liability Underwriting Guidelines

We are looking for the family style restaurant where liquor liability is **not** considered the major appeal. If liquor is served, the insured **must** have a current in-force Liquor Liability Policy. If the Liquor Liability Coverage is written with another carrier, a copy of that policy declaration must accompany the submission.

General Guidelines:

- The liquor receipts cannot exceed 30% of the total receipts of the restaurant
- The full restaurant menu must be served while bar service is available
- The hours of operation for the establishment cannot exceed 12:00 midnight; refer to Company otherwise.

Liquor Liability Underwriting Guidelines:

- Alcoholic beverage sellers and servers must check patrons for age; acceptable documentation should be a photo identification.
- The restaurant should have a written policy of not selling alcoholic beverages to intoxicated persons. Alcoholic beverage servers should be trained to recognize an intoxicated person and instructed not to serve anyone who appears inebriated.
- The applicant should not have incurred any liquor liability claims in the past five (5) years nor be aware of any incidents that might lead to a claim or suit against them.
- The applicant should not have an liquor liability coverage canceled or nonrenewed during the past three (3) years.
- The applicant should not have had its alcohol beverage license revoked or suspended nor been issued a citation for a law violation.
- Alcoholic beverage servers should receive alcohol awareness training.
- Insureds are strongly encouraged to sponsor and/or establish transportation services to intoxicated persons and to sponsor "designated driver" programs.