



RESTAURANT HAZARDS

No matter how careful you and your employees are, your business may still experience an unforeseen injury to a customer on your property, from a meal you prepared or possibly an employee who has imbibed a little too much. You may also experience a robbery. This section describes some common and not so common hazards found in restaurants which may cause your business a financial loss.

Consider each hazard and determine if you have reduced your potential to loss by implementing safe operating practices and providing appropriate training to your employees.

The principal hazard in most restaurants is fire. A restaurant fire has the potential of a total loss to the building and contents, significant business income loss, and injury or loss of life. Common causes of a restaurant fire include:

- Grease buildup leading to kitchen fires
- Inadequate or infrequent cleaning of hoods, ducts, filters, deep fat fryers and fans
- Absence of automatic and manual fuel cutoff valves
- Improperly extinguished cigarettes and candles
- Inadequate wiring or other electrical defects
- Overheated motors in refrigeration and air conditioning units

GENERAL LIABILITY

General Liability exposures include the potential for serious injury or death to large number of people on the premises in the event of a fire, as well as serious slip and fall injuries. Additional common hazards include:

- Stairways without adequate railings
- Change in elevation without a posted notice
- Defective or broken furniture
- Burns from hot plates or spilled beverages
- Cuts from broken glass or chipped dishware
- Inadequate or poorly marked/lit emergency exits
- Worn or torn floor coverings, foods and liquids spilled on floors
- Inadequate lighting on steps or in passageways
- Poorly maintained parking lot (inadequate lighting, potholes, debris), accumulation of ice and snow



PRODUCTS LIABILITY

Product liability losses are common in a restaurant environment. They are generally not serious, but frequency can become a problem if good food sanitation practices are not implemented and followed. Good controls are necessary to limit frequency and prevent a potentially severe loss. Some common exposures are:

- Foreign objects in food
- Food poisoning as a result of spoilage, contamination or deterioration of food
- Improper temperature in food storage facilities
- Expired shelf life on products
- Improper use of pest control and cleaning chemicals
- Inadequate supply of hot water for dishwashing
- Inadequate housekeeping practices

LIQUOR LIABILITY

Restaurants that serve alcohol must have appropriate controls in place to limit exposures to liquor liability claims. It encompasses that liability arising from the selling, serving, or distribution of alcoholic beverages. The extent of the restaurant operator's liability varies based on state laws. Contributing exposures are:

- Serving liquor to minors
- Serving liquor to intoxicated persons

CRIME EXPOSURES

Exposure to crime include burglary, robbery and theft, including employee theft and dishonesty. Some contributing factors are:

- Large amounts of cash on premises
- Lax management attitude toward crime prevention
- Careless hiring practices or supervision
- High employee turnover and/or former employees with keys to the restaurant
- Careless accounting practices and checking account reconciliation.



Medical Payments

If someone is injured by you or at your business site, the policy may pay for medical and funeral expenses incurred, up to policy limits, within one year of the accident. For example, if a customer tripped and fell on your premises and had to be hospitalized.

Personal Injury

Most General Liability policies provide coverage if you are accused of:

- Publishing inaccurate information that slanders or libels a person or organization;
- Publishing material that violates a person's right of privacy;
- Falsely arresting, detaining or imprisoning someone;
- Maliciously prosecuting someone;
- Wrongfully evicting someone.

Advertising Injury

In the course of advertising your company's own goods, products or services, this policy will provide valuable liability protection against advertising injuries resulting from:

- Publishing inaccurate information that slanders or libels a person or organization;
- Publishing material that violates a person's right of privacy;
- Copying some other company's advertising ideas or style of doing business;
- Infringing on another company's copyright, title or slogan.