

The Restaurant Playbook



The Restaurant Playbook



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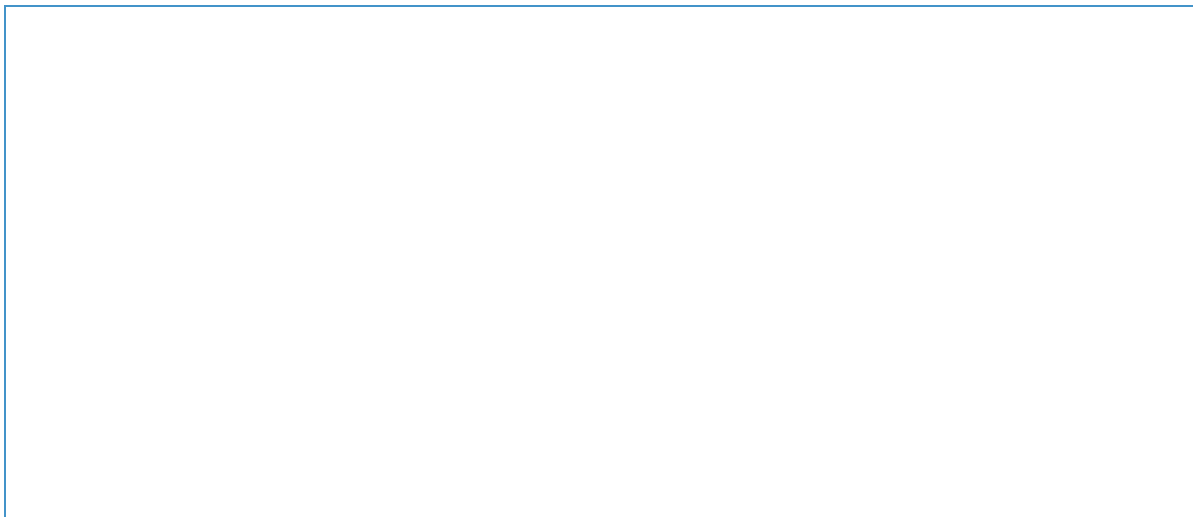


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I. Buyer Persona

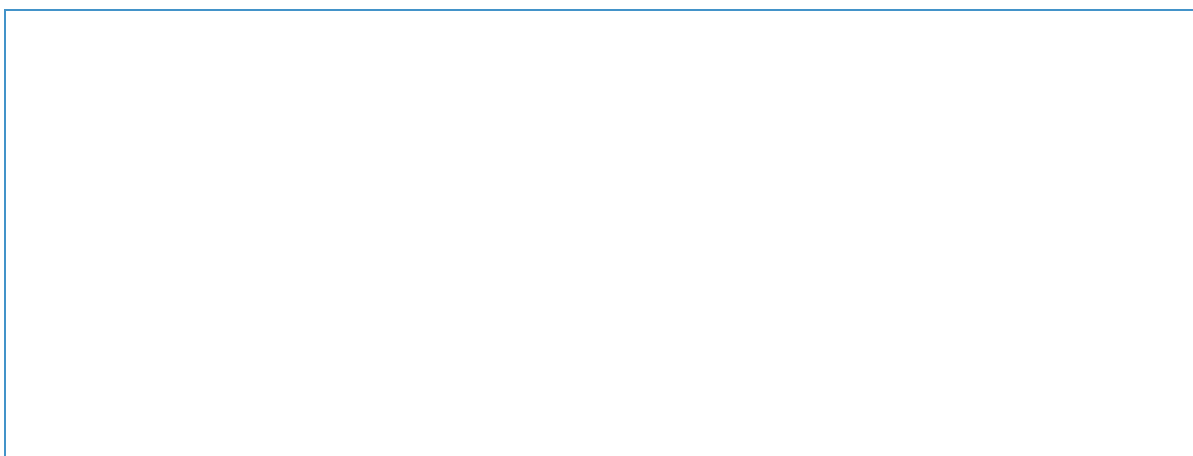
Background:

Randy is a 45-year-old seasoned restaurateur with over 15 years of experience in the industry. He holds a bachelor's degree in business administration and started his career working his way up from a sous chef to an executive chef before venturing into the business side. Today, he owns a chain of upscale casual dining restaurants, each having a workforce of 20+ employees.



Demographics:

Randy is in the high-income bracket, thanks to his successful restaurant chain spread across the city. He's married and has two children who are studying in college. They live in a metropolitan area known for its vibrant culinary scene and diverse food culture.





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Identifiers:

Randy is a tech-savvy, forward-thinking business owner. He's on top of the latest industry trends and is always seeking ways to integrate technology into his business operations for better efficiency. He prefers to communicate via email and is highly active on LinkedIn where he connects with other industry professionals.

Goals:

Randy's primary goal is to maintain the profitability of his restaurants while ensuring they deliver a consistently high-quality dining experience. He's also focused on business continuity - he doesn't want unforeseen events or accidents to disrupt his operations. Expanding his restaurant chain into new markets is a long-term goal.



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Challenges:

His major challenges revolve around risk management. With the high-paced, high-risk nature of the restaurant industry, he's concerned about potential property damages, workplace injuries, legal liabilities, food safety, and employee wellbeing. He also worries about business interruptions due to equipment breakdown or disasters, and the associated costs.

Values:

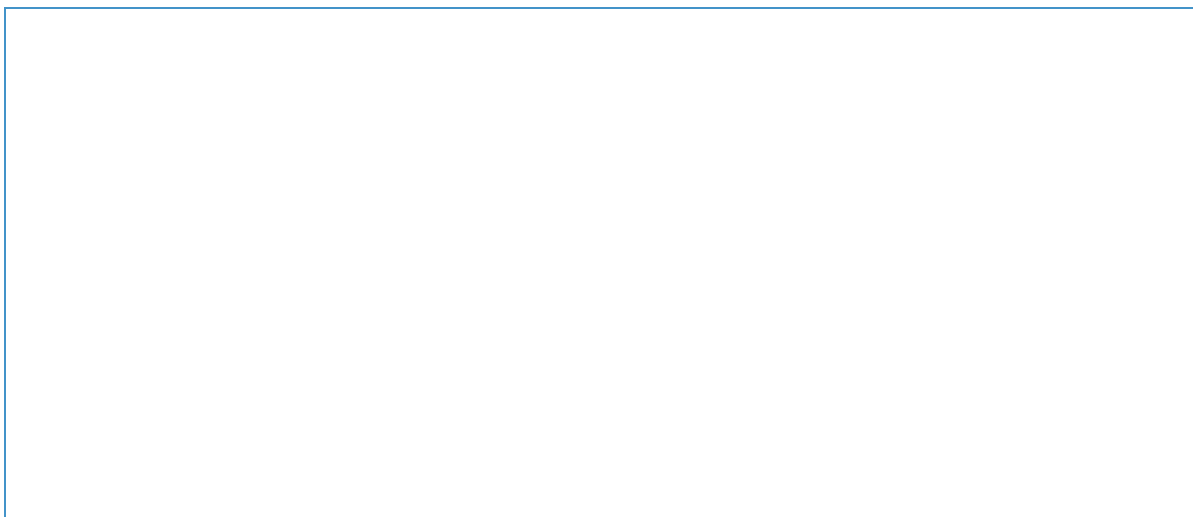
Randy values efficiency, quality, and innovation in business. On the personal front, he values his family and their security. As an experienced industry professional, he recognizes the importance of sustainable business practices and corporate responsibility.



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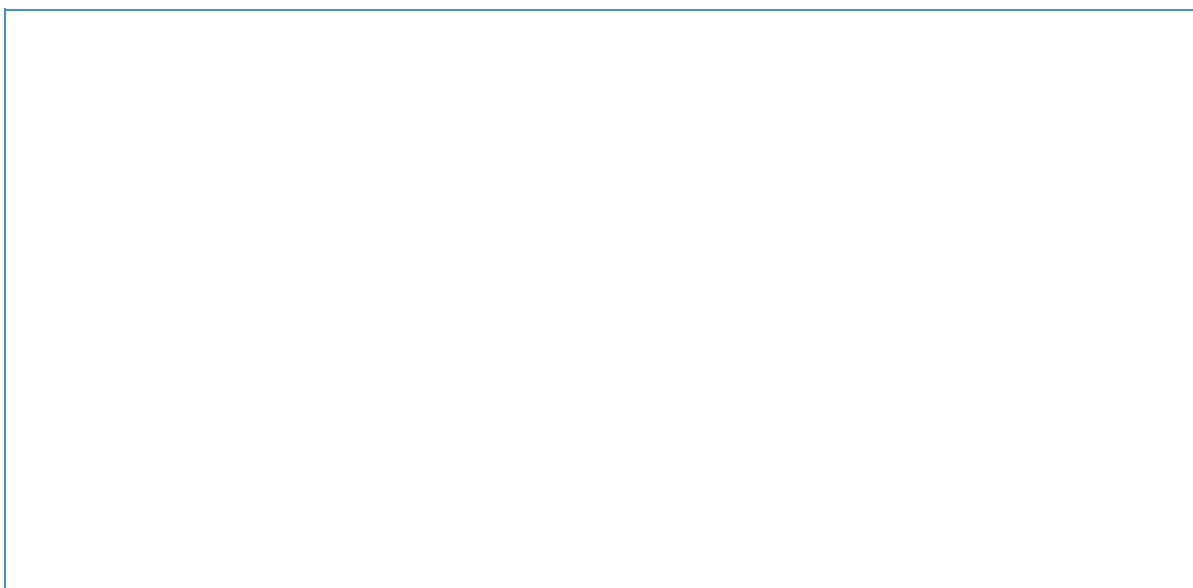
Lifestyle:

Randy leads a busy life balancing his business and family time. He frequently travels between his restaurants, ensuring they run smoothly. He believes in maintaining a healthy lifestyle, regularly exercises, and is passionate about wine tasting.



What can we do:

Our company can provide Randy with comprehensive commercial insurance solutions that protect his properties, cover potential liabilities, and ensure business continuity. With our niche focus on the restaurant industry, we're equipped to provide him tailored solutions that resonate with his business and personal values.





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Objections:

Randy could be hesitant about the perceived hassle and complexity of switching insurance providers. He might also be concerned about cost-effectiveness, policy terms, and the reliability of the insurance company.

Marketing Message:

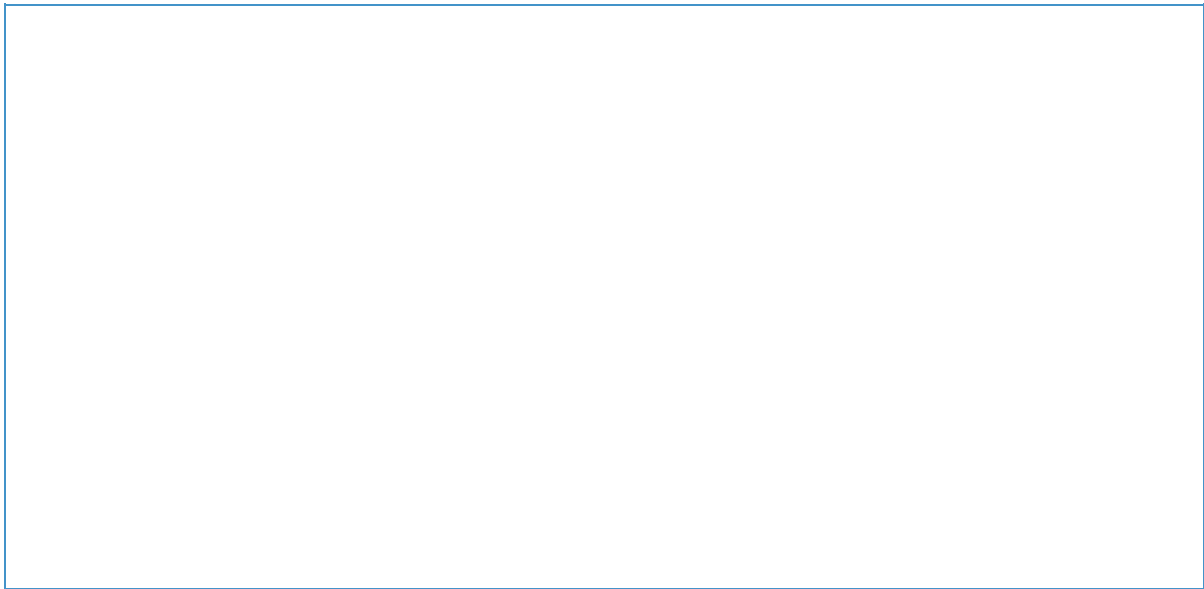
"Insure the success of your restaurant business with our all-encompassing, industry-specific insurance solutions. Our deep understanding of the restaurant industry allows us to cater to your needs efficiently and effectively. Let us worry about the risks, while you focus on creating remarkable dining experiences."



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Elevator Pitch:

"We specialize in providing tailored insurance solutions for restaurant owners who understand the value of comprehensive protection. Our deep industry knowledge helps us design policies that not only safeguard your business from potential risks but also align with your growth objectives. Partner with us to safeguard your restaurant's future so you can focus on what you do best - providing unforgettable culinary experiences."





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II. Pain Questions

What initially led you to choose your current insurance provider?

This will give you an insight into Randy's decision-making process and his priorities when it comes to choosing an insurance provider.

What do you appreciate the most about your relationship with your current insurance agent?

Understanding what Randy values in an insurance agent can help you determine whether your agency can provide the same, or ideally, better services.

What aspects do you wish your current agent or insurance provider could improve on?

This can help identify any pain points Randy might be experiencing with his current insurance provider.

How often does your current agent conduct a full risk assessment of your business?

This question will give you an idea about the level of proactive service Randy is currently receiving.



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When was the last time your agent discussed your coverage options with you, and how did it go?

This will show you whether Randy is getting personalized attention from his current agent.

Have you ever had to make a claim with your current provider? If yes, how was your experience?

The claims process is an important aspect of insurance, and Randy's experience will give you valuable insight into his current provider's service quality.

What specific concerns do you have about the risks associated with your business?

This can help you understand Randy's awareness of his business risks and whether his current coverage addresses those concerns adequately.

What are your long-term goals for your restaurant business, and how does your current insurance plan align with those goals?

This question can uncover whether there's a gap between Randy's business goals and his current insurance coverage.



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Have there been any significant changes in your business recently that might affect your insurance needs?

Changes in business operations can create new risks, and this question can help identify whether Randy's current insurance policy is keeping up.

What would be the ideal relationship with your insurance provider/agent? What are you looking for in terms of communication, services, and support?

This will help you understand Randy's expectations and whether you can meet or exceed them.



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III. Setting up your Pre-Close

"Randy, thank you for sharing your experiences and insights with me today. It has given me a good understanding of what you're looking for in an insurance provider. I see that you value regular risk assessments, prompt and supportive claim services, and a policy that evolves with your business growth. I also understand that you desire better communication and more personalized attention than what you're currently receiving.

At our agency, we prioritize all these aspects and our goal is to offer our clients the peace of mind they need to focus on their business operations. We believe in regular engagement with our clients, timely risk assessments, and standing by our clients during claims. Our policies are designed to adapt to your growing business needs.

Now, if I can demonstrate to you that we can meet your needs, address the pain points you've discussed, and do it within a price range that makes sense for your business, would you feel comfortable moving forward with us as your new insurance provider?"



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Decision-Making Process:

"Randy, to ensure we're involving all the right people at the right time, can you share with me who else, if anyone, is involved in making decisions about insurance providers for your business?"

Depending on Randy's response, you might need to offer to include these individuals in future discussions or meetings. This ensures that everyone involved in the decision-making process is well-informed and on board.



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Budget Discussions:

"As we move forward, it's crucial to align our solutions with your budget to ensure we're providing a realistic and sustainable plan for your business. Could you share a ballpark figure or range of what you've budgeted annually for your insurance needs?"

Being upfront about budget expectations can prevent potential misalignment down the line and ensure that the solutions you propose are financially feasible for Randy's business.



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IV. Delivering the Rules of Engagement

"Randy, I appreciate your openness in considering us as a potential insurance provider. To best serve your needs, the next step would be a deeper dive into your business's risk profile. This involves a more detailed conversation about your business operations, examining your current policy, and possibly obtaining loss runs to assess claim history.

Please understand, this is a standard procedure designed to ensure we're able to offer the most effective and suitable solutions for your specific needs. In some cases, it might even be that the best solution involves staying with your current carrier, but with us managing the policies.

Is it usually you who handles these aspects, or is there someone else in your team that I should coordinate with for this information? And are you comfortable with us proceeding in this manner?"

This approach acknowledges the detailed work ahead, lets Randy know what might be required of him, and gives him the opportunity to delegate if someone else is better suited to provide the needed information.

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Restaurant Risk Assessment

Company Profile:

1. Company Name:	
2. Operating Name (DBA):	
3. What is the business structure of the restaurant?	
4. Company Address:	
5. Billing Address:	
6. Additional Locations:	
7. What are the hours of operation for each location?	
8. What types of food and beverages are served?	
9. Does the restaurant offer delivery or catering services?	
10. FEIN:	
11. Website:	
12. Contact Information:	
13. Additional Decision Makers:	
14. Key Employees:	
15. Insurance Budget:	
16. Annual Sales:	
17. Annual Payroll:	
18. Property and Building Values:	
19. Are there any plans for business expansion or modification in the next 12 months?	



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Property:

1. What is the size (square footage) of each restaurant location?
2. Are the buildings owned or leased? If leased, what are the insurance requirements in the lease agreement?
3. What is the construction type and age of each building?
4. When were the electrical, plumbing, and HVAC systems last updated?
5. Are there any unique property features (such as a historical building designation) that need to be considered in the policy?
6. What cooking appliances are used and what fire prevention systems are in place?
7. Are there any outdoor signs, fencing, or patio furniture that require coverage?

General Liability:

1. What is the average number of customers served daily at each location?
2. Are there any swimming pools, play areas, or other attractions on the premises?
3. Are there any past or ongoing lawsuits or claims related to slip-and-fall or foodborne illnesses?
4. What is the protocol for incident reporting and tracking in the restaurant?



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Liquor Liability:

1. What is the percentage of alcohol sales in relation to total sales?
2. Are all servers trained in responsible alcohol service? What program is used for training?
3. Are there any past or ongoing lawsuits or claims related to overserving or serving to minors?

Auto Liability:

1. Does the restaurant own or lease any vehicles? If yes, how many and what types?
2. Are any personal vehicles used for business purposes?
3. What is the driving record of each employee who operates a vehicle for business purposes?
4. What kind of driver training does the business provide?



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Cyber Liability:

1. How are credit card transactions processed and what measures are in place to secure this data?
2. Does the restaurant store customer information? If yes, what kind of data and how is it protected?
3. Has the restaurant ever experienced a data breach? If yes, what was the cause and how was it handled?

Employment Practices:

1. What is the total number of employees, including part-time and full-time?
2. Does the restaurant have a written employee handbook that includes policies on sexual harassment, discrimination, and wrongful termination?
3. Are there any past or ongoing lawsuits or claims related to employment practices?



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Workers Compensation:

1. What safety training programs are in place for employees?
2. What types of injuries have employees sustained in the past?
3. Are there any specific high-risk tasks that employees perform (e.g., use of fryers, handling sharp objects, heavy lifting, etc.)?
4. How are employee injuries documented and handled?

Umbrella Insurance:

1. What are your current underlying liability policy limits (general liability, auto liability, employers liability)?
2. Have there been any significant claims in the past 5 years that exceeded your existing policy limits?
3. Does your restaurant engage in activities that have higher liability risks, such as hosting large events, offering live entertainment, or serving high volumes of alcohol?
4. Is your business or are any business owners of high net worth or high profile that might increase the risk of substantial lawsuit claims?
5. If the business leases its premises, does the lease require a certain level of liability coverage?
6. Does your business operate in multiple states or internationally, thereby increasing exposure to various risks?
7. Are there any contractual obligations with suppliers, clients, or others that require a certain level of liability coverage?



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Crime and Employee Dishonesty:

1. How is cash handled within the business? Are there established procedures for cash management, including tracking, storage, and deposits?
2. Are background checks conducted on all employees prior to hiring, especially those handling money or valuable assets?
3. How is inventory tracked and controlled to prevent employee theft?
4. Have there been instances of employee theft or other crimes against the business in the past? If so, how were they handled?
5. What security measures are in place to prevent crimes (surveillance cameras, alarm systems, security personnel)?

Business Income:

1. Have there been instances in the past where the business was unable to operate for an extended period? If so, what was the cause?
2. How dependent is the business income on the specific location? Would a forced move (due to a fire, for example) significantly affect income?
3. If your restaurant were unable to operate for a certain period (a week, a month, etc.), how would this impact your income and expenses?
4. Does the business rely on specific suppliers or vendors? Would disruption in their operations affect your business income?
5. How well are financial records kept? These will be needed to verify income in case of a claim.

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Restaurants FYI

Category: Eating and Drinking Places

SIC CODE: 5812 Eating Places

NAICS CODE: 722511 Full Service Restaurant

Suggested ISO General Liability Codes: 16900, 16901, 16902, 16910, 16911, 16915, 16916,

16920, 16921, 16930, 16931, 16940, 16941

Suggested Workers Compensation Code: 9082, 9083, 9084

Description of operations: Restaurants serve a full menu of food items which are served by a waitperson and consumed on the premises. They may serve beer, wine, or other alcoholic beverages. Others offer take-out or delivery services. A restaurant may specialize in a specific type of cuisine or may serve a general menu. Some entertain customers with contests, music, or other live entertainment, or promotions such as "happy hour" with discounts available during non-peak hours. Some have small dance floors.

Property exposures are substantial from cooking equipment, electrical wiring, refrigeration units, and heating and air conditioning systems. All wiring should be current, up to code, and well maintained. All grills and deep fat fryers must have automatic fire extinguishing protection, hoods, and filters. There should be fuel shut-offs and adequate hand-held fire extinguishers.

The kitchen must be kept clean and grease free to prevent the spread of fire. Filters should be changed frequently. Ammonia used in refrigeration units can explode. Spoilage exposure is very high. A small fire or a power outage of even moderate duration can cause all fresh and frozen goods to be condemned as unfit for consumption or sale due to the potential for contamination.

If alcoholic beverages are served, the liquor should be stored in areas inaccessible to customers. Business income with extended time period coverage should be purchased. Losses can be minimized if there is an alternative location to continue operations and not lose customers.



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Returning to normal operations after a loss is difficult due to the lag time between reopening and returning to full income as regular customers may have moved to a new “favorite” restaurant.

Equipment breakdown exposures can be high as operations are dependent on refrigeration and cooking equipment.

Crime exposures are from employee dishonesty and money and securities. Criminal background checks should be conducted on any employee handling money. If the restaurant uses expensive cuts of meat or serves alcohol, theft of stock could be a problem. Cash receipts may be high. There must be consistent rules on cash drawer management and job assignments.

Money should be regularly stripped from the cash drawer and irregular drops made to the bank during the day to prevent a substantial accumulation of cash. Closing time is the most vulnerable time so security procedures should be in place to prevent hold-ups. There must be a separation of duties between employees handling deposits and disbursements and reconciling bank statements.

Inland marine exposures include accounts receivables if the restaurant offers credit to customers, computers for tracking inventories and payrolls, and valuable papers and records for supplier and employee information. Duplicates of all records should be kept off-site. Cash registers, cooking equipment, and office equipment may have computer applications. There may be a bailees exposure from offering coat check services to customers or from storing entertainers’ property. Some establishments will have paintings, statues, or other fine arts on premises.

Premises liability exposures are high due to public access to the premises. Serving of alcoholic beverages can impair customers’ motor abilities and increase the likelihood of trips, slips, or falls. Servers move throughout the premises with trays of food and beverages, generating spills that can result in slips and falls. Spills should be cleaned up promptly.

Temperatures of hot beverages must be limited to reduce injuries due to scalding. Lists of ingredients should be posted to prevent allergic reactions. Customers may become ill from ingesting contaminated food or beverages. Cleanliness standards must be



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monitored. Floor coverings must be in good condition with no frayed or worn spots on carpet and no cracks or holes in flooring.

Dance floors must be clean, smooth, and free of debris. Steps and uneven floor surfaces should be prominently marked. All fire exits should be plainly visible from any part of the premises and kept unlocked from the inside during business hours. Backup lighting should be automatically activated in the event of a power outage. Parking lots and sidewalks need to be in good repair, with snow and ice removed, and generally level and free of exposure to slips and falls. Outdoor security and lighting must be consistent with the area. All employees must be instructed in proper customer handling, including how to deal with disgruntled or intoxicated customers.

Products liability exposure is due to food poisoning, contamination, and allergic reactions from food and beverages carried off premises for consumption. Monitoring the quality of food received, posting lists of ingredients, and maintaining proper storage temperature can reduce this exposure.

Liquor liability exposure can be very high in states that hold restaurants liable for injuries resulting from alcohol consumption. The type and amount of alcohol served, and the type of clientele directly impact this exposure. Failure to comply with state and federal regulations can result in the loss of a liquor permit. There must be a set procedure to check ages of anyone attempting to purchase alcohol, as well as monitoring so customers purchasing alcoholic beverages do not then give them to patrons who are underage or intoxicated.

All employees who serve alcohol should be trained in recognizing signs of intoxication. A procedure should be in place to deny serving underage or intoxicated patrons. Programs that encourage designated drivers or offer free taxi service can be useful.

Automobile exposure may be limited to hired or non-ownership liability exposures from employees running errands. If the restaurant offers delivery services, all drivers must have appropriate licenses and acceptable MVRs. Company vehicles should be used for all deliveries.

Maintenance should be documented. If employees use their own vehicles, the vehicles should be checked for maintenance and upkeep. Because most personal auto policies do not provide coverage when the vehicle is used for commercial purposes, requiring proof of insurance will be of little assistance.



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If the restaurant offers valet parking, garage keepers' coverage should be purchased to cover damage to customers' vehicles. MVRs and driving records should be obtained for any employee driving or parking customers' vehicles. If valet parking services are contracted to another firm, the restaurant should be named as additional insured on the contractor's policy.

Workers' compensation exposures come from slips, falls, cuts, puncture wounds, burns, foreign objects in the eye, hearing impairment from noise, heavy and awkward lifting, and interactions with customers. Employees must be trained on the carrying of heavy dishes between the kitchen and the serving areas. Food and beverage handling can result in passing bacteria or viruses, resulting in illness.

While smoking is prohibited in bars in many states, others still permit this. In those states, workers can incur occupational disease from the ongoing inhalation of secondhand smoke. As with all retail businesses, hold-ups are possible, so employees should be trained to respond in a prescribed manner. Cleaning workers can develop respiratory ailments or contact dermatitis from working with chemicals. The employees in many restaurants tend to be minimum wage and turnover may be high. Company incentives to encourage long-term employment are positive signs of management control.

Minimum recommended coverage:

Business Personal Property, Business Income and Extra Expense, Spoilage, Equipment Breakdown, Employee Dishonesty, Money and Securities, Computers, Valuable Papers and Records, General Liability, Employee Benefits, Umbrella, Hired and non-ownership Auto, Workers Compensation

Other coverages to consider:

Building, Earthquake, Flood, Leasehold Interest, Real Property Legal Liability, Accounts Receivables, Bailees Customers, Fine Arts, Cyber liability, Employment-related Practices, Environmental Impairment, Liquor Liability, Business Automobile Liability and Physical Damage, Garage keepers, Stop Gap Liability

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Common Restaurant Exposures

Restaurants

Those who run restaurants are often some of the most passionate business owners, investing time and money to deliver a high-quality experience to their customers. However, the hospitality industry can be unforgiving, and it's a constant challenge for owners to deliver exceptional food and service while maintaining profitability.

These challenges are magnified when you consider that risks related to property damage, equipment breakdowns, crime and liquor liability must also be addressed. The list below provides an overview of these restaurant industry risks and more — helping you identify potential blind spots in your risk management and insurance programs.



Property exposures in restaurants are substantial and can come from many sources, including equipment failures, food spoilage, natural disasters, customers, employees and other third parties. When discussing property exposures, fire and water damage are of particular concern, and restaurants face an elevated level of risk due to things like open flames, the wide use of combustible items (e.g., tables, chairs and linens), complex HVAC systems, sewer backups and appliances connected to water lines (e.g., dishwashers)



Restaurants depend on functioning equipment to service their customers effectively. In the face of an **equipment breakdown** (e.g., refrigeration unit leaks and cooking appliance malfunctions), restaurants can experience business interruptions or even prolonged closures. What's more, equipment breakdowns can even lead to major property damage should an appliance leak or start a fire, compounding the cost for your business.



Crime can be a challenge for restaurant owners, especially because their operations often have a steady amount of cash flowing in and out. To make matters worse, thieves can strike at any time, leaving owners to recoup any lost funds or equipment. In this day and age, thieves (including your employees) do not need direct access to cash to steal from you — merchandise, supplies and securities are all fair game. What's more, the location of a restaurant as well as its hours of operation can have a significant impact on its level of crime risk.



As a restaurant owner, you are responsible for property that may not be covered by traditional insurance. **Inland marine** coverage can fill these gaps in commercial property protection. Without an inland marine policy, property that's unique or valuable, in transit, in your temporary care, stored at fixed (but movable) locations or used to transfer information represent major exposures. Specifically for restaurateurs, inland marine insurance can provide much needed protection for accounts receivable, computer equipment, data and records, food transported to various locations and food trucks.



Premises liability exposures at restaurants can directly affect patron safety and, when injuries occur at your business, you could be held responsible. Accidents related to slips, trips and falls; burns and scalds; and cuts are common and a major source of concern. Something as simple as a hot plate, a spilled drink or an uneven surface can lead to costly insurance claims following an accident.



Food safety is an important consideration for restaurant owners and a primary source of food and **product liability**. The potential for food poisoning, contamination, spoilage and allergic reactions is ever present, making continued customer safety a challenge. In the event that one of your customers