



Gallagher

Insurance | Risk Management | Consulting

Foodborne Illness and Contamination Coverage for Restaurants

How to Sell

I already have cover under my property/liability policy.

In the heavy majority of U.S.-based property policies, your property policy does not cover foodborne illness as a form of property damage. Your liability policy will potentially cover you for third-party lawsuits, but will not cover most of the other financial consequences deriving from an incident (loss of profit, decontamination, inoculations, recall and many more). Neither your property policy nor your liability policy will protect you against the economic loss exposure resulting from a foodborne illness, contaminated supplied products, governmental recall, health scare event, security crisis event, property damage extortion or malicious product tampering, nor will either one provide you with a 24/7 food safety crisis response hotline or cover you for the rehabilitation costs following one of these events (see comparison chart on the following page). This policy fills your gap in cover.

Example:

- You own 15 different restaurant locations sharing a trade name. A fire (which does not spread to your other locations) shuts down one location and will affect about 7% of your total profit. Despite this, every restaurant in the U.S. purchases property insurance.
- A contaminated product is supplied to three of your locations, and some of your customers become ill, causing a negative media event for your brand. Every single location sharing your trade name becomes affected, and total profits are down more than 20% for six months and only begin to recover slowly in time.
- A hepatitis outbreak occurs in proximate counties in which you have multiple locations. Several of your employees get the virus and your location is reported as “affected.” Customers avoid your location for a period of time, causing a 60% downturn in sales over a two-month period.

It won't happen to me.

1 in 6

Americans (48 million people) gets sick*

128,000

are hospitalized*

3,000

die of foodborne diseases each year*

And this is only what is reported.

In today's digital age, although bodily injury initiates the concern, the instant proliferation of the news has an immediate and sometimes catastrophic impact on restaurants and their brands. The effect on your revenue will dwarf the bodily injury losses.

Social media and consumer awareness have changed the restaurant risk entirely in recent years.

*According to the Centers for Disease Control and Prevention.



How will the crisis consultants help me?

Once an incident occurs, you will call the 24/7 hotline to report it. The consultants will guide you step by step regarding how to handle and mitigate the issue. Costs incurred sit outside the policy limit and are unlimited.

Why do restaurants need contamination insurance?

Insurance	Property	Liability	Workers' Comp	Foodborne
Physical damage to your property	✓	X	X	X
Physical damage to your products	X	X	X	✓
Business interruption from property damage	✓	X	X	X
Lawsuits or claims from third parties (customers)	X	✓	X	X
Business interruption from a contamination/tampering/contagion	X	X	X	✓
24/7 food safety crisis response following a contamination/tampering/contagion	X	X	X	✓
Recovery costs and expenses following a contamination/tampering/contagion	X	Limited – if any	X	✓
Employee injured while on the job	X	X	✓	X

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