



RESTAURANT COVERAGES

GENERAL LIABILITY DEFINITIONS

- **GENERAL LIABILITY** This coverage protects your business from claims arising from alleged bodily injury, personal injury or property damage liability. It includes protection for services you render or products you sell. Coverage payments can include judgments, attorney fees, court costs, or other related expenses.

- **CONTRACTUAL LIABILITY:** This coverage is used to insure against bodily injury and property damage claims arising out of the liability of others that you assume in an "insured contract" as defined in the policy.

- **EMPLOYEE BENEFITS LIABILITY:** This coverage is used to insure against negligent acts, errors or omissions, committed by you or any person whose acts you are legally responsible for while engaging in the administration of your company's employee benefit plans.

- **LIMITED WORLDWIDE COVERAGE:** This endorsement is used to extend your CGL policy to include coverage for lawsuits brought against you in those additional parts of the world as outlined in the endorsement. This is needed since without this extension lawsuits (excluding those arising from internet activities) are only covered if they are brought against you within the territories of the United States, Puerto Rico, or Canada.

- **PREMISES/OPERATIONS COVERAGE:** This coverage is used to insure against claims arising out of your ownership, maintenance or use of premises including any operations that are in progress.

- **PRODUCTS/COMPLETED OPERATIONS COVERAGE:** This coverage is used to insure against claims arising out of bodily injury and property damage that result from products you have sold, manufactured, handled, distributed or disposed of; or for work you have performed, provided the accident occurs away from a premises you own or rent.

- **LIABILITY LIMITS EXPLAINED:** The PER OCCURRENCE limit is the maximum amount available for claims arising out of any one occurrence. The GENERAL AGGREGATE limit is the maximum payable amount for all claims during the policy year arising out of occurrences, except products and completed operations claims. The PRODUCTS AGGREGATE limit is the maximum amount available for products and completed operations claims.

- **MEDICAL PAYMENTS:** This coverage will reimburse, without regard to your liability, all reasonable medical expenses incurred by persons as a result of bodily injury sustained by accident as defined in your policy.

- **OCCURRENCE FORM:** This form provides coverage for claims arising out of an accident which results in bodily injury or property damage neither expected nor intended. The form covers

- **HIRED CAR PHYSICAL DAMAGE:** Covers comprehensive and collision damages to an auto which is leased, hired, rented or borrowed subject to a maximum limit stated in the policy.

- **DRIVE OTHER CAR COVERAGE:** This endorsement is used to protect employees or other specified individuals when they borrow or rent cars for personal use, and do not have the protection of a Personal Auto policy.

- **BROAD FORM PROPERTY DAMAGE COVERAGE INCLUDING COMPLETED OPERATIONS:** This coverage is used to modify the General Liability policy's "care, custody or control" and "workmanship" exclusions so that these provisions will only apply to that particular part of the work that causes damage



(premises/operations) or damage to completed work that results from your own work or operations (completed operations.)

- **LIQUOR LIABILITY COVERAGE:** This coverage protects organizations whose business involves the manufacturing, distributing, selling or serving of liquor. This is needed because standard General Liability policies exclude coverage for such activities.

- **PROFESSIONAL LIABILITY - ERRORS AND OMISSIONS COVERAGE:** This coverage is used to insure against claims arising out of negligent acts, errors or omissions in the rendering or failing to render professional services as defined in the policy.

PROPERTY DEFINITIONS

- **BUSINESS INCOME INCLUDING EXTRA EXPENSE:** This coverage is used to insure against loss of business income (including any continuing normal operating expenses) that you sustain due to the necessary suspension of your business operations. To be covered the suspension must be caused by a direct physical loss of or damage to property at the premises described in your policy and for which a business income limit of insurance is shown. Under this form, extra expenses are included and rental values can be added as an option. An extended period of indemnity provision is also included to provide coverage after you resume operations until your business returns to normal levels of activities, up to the time period specified in the form.

- **EQUIPMENT BREAKDOWN POLICY:** This policy is designed to protect against loss to covered property that results from mechanical breakdown, electrical damage, explosion of a boiler or other covered events as specified in the form. The policy can be used to insure a wide variety of property items that are exposed to breakdown related exposures including computers, printers, copiers, fax machines, heating and cooling systems, switch panels, production machinery, etc.

- **REPLACEMENT COST:** This loss valuation method pays for the cost to repair or replace damaged items with like kind and quality without deduction for depreciation. This is important since you could face a substantial loss if you must replace property at today's prices but receive only the depreciated value of the property that was destroyed

- **SPECIAL CAUSES OF LOSS COVERAGE** This coverage will protect covered property against direct physical loss arising from any cause not specifically excluded. The advantage of this form is that the insurance company must prove that a loss is specifically excluded in order to deny coverage under the policy.

- **COINSURANCE:** A policy may contain a coinsurance clause requiring that the limit of coverage be a minimum percentage (usually 80%) of the insurable value of your property. If the amount of insurance carried is less than what is required by this clause, any claim payment may be reduced by the same percentage as the deficiency. For example, covered property worth \$100,000 may require a minimum of 80%, or \$80,000, of coverage for compliance with the policy's coinsurance requirement. If only \$60,000 of coverage is carried (25% less than the required \$80,000), then any loss payment would be reduced by 25%.

- **VALUABLE PAPERS AND RECORDS:** This coverage can be used to pay for the costs to replace or restore lost or damaged valuable papers and records when caused by a covered peril up to the limits specified in the form.

- **FORGERY OR ALTERATION COVERAGE:** This coverage protects you against loss due to the forgery or alteration of checks, bank drafts, promissory notes, or other similar financial instruments drawn against your bank account. It does not however cover dishonest acts of your employees, which must be insured with Employee Theft Coverage.



- THEFT OF MONEY AND SECURITIES - OUTSIDE THE PREMISES: This coverage is used to insure against loss of money and securities or other property caused by theft, disappearance, or destruction while located outside your premises in the care and custody of a messenger or armored motor vehicle.

-UTILITY SERVICES - DIRECT DAMAGE COVERAGE:This coverage is used to insure against property damage that results from an interruption of services by a facility that provides you with power, water or communications when caused by a covered peril.

-SPOILAGE COVERAGE: This endorsement is used to insure against loss to perishable stock when caused by a change in temperature or humidity that results from mechanical breakdown, contamination or power outage. Please note that coverage for these additional perils must be indicated on the form for it to be activated and includes protection for both on premises and off premises power sources.

-UTILITY SERVICES - TIME ELEMENT COVERAGE: This coverage extends your business income and extra expense insurance to protect against losses due to the interruption of services rendered to you by a specified utility that provides your business with water, power, or communications.

-UTILITY SERVICES - DIRECT DAMAGE COVERAGE: This coverage is used to insure against property damage that results from an interruption of services by a facility that provides you with power, water or communications when caused by a covered peril.

WORKERS' COMPENSATION DEFINITIONS

- WORKERS COMPENSATION: State law requires that every employer provide Workers Compensation insurance for their employees. This insurance provides coverage for accidents or disease arising from employment as prescribed by these state laws. Benefits can include lost wages, medical expenses, and permanent disfigurement/disability payments.

- AUDIT PREMIUM: The proposed premium is based on the following estimates of annual exposures. They are subject to audit after expiration of the policy.

-BODILY INJURY BY ACCIDENT LIMIT: This is the most your insurer will pay under Coverage B, Employers Liability, for all claims arising out of any one accident, regardless of the number of claims that may arise out of the accident.

- BODILY INJURY BY DISEASE - EACH EMPLOYEE: This is the most your insurer will pay for damages due to bodily injury by disease to any one employee

- BODILY INJURY BY DISEASE - POLICY LIMITS: This is the aggregate limit that stipulates the most your insurer will pay for employee bodily injury by disease claims during the policy period regardless of the number of employees who make such claims.