



# Restaurant Recovery

## The Protection You Need to Keep Customers

### **Restaurant Recovery Insurance through Tokio Marine HCC – Specialty Group**

Accidental contamination and malicious tampering of food products in the restaurant industry causes restaurants to lose millions of dollars in revenue, including restaurants and groups of franchisees trading under the same name as the business originally affected. The impact of a trading interruption to a restaurant that suffers the effects of a food borne illness, contamination, tampering or extortion, has proven to have a devastating effect on the reputation of a business, and its financial stability can be irreparably damaged.

The restaurant recovery insurance policy offered through Tokio Marine HCC – Specialty Group responds to that need.

The policy offers business interruption coverage back to pre-incident sales and also covers brand name rehabilitation costs. Numerous other additional expenses are covered, including recall costs, incident expenses and crisis management advice. Coverage is available to restaurants of any size, single or multi-location enterprises, including individual groups of franchisees.



# Restaurant Recovery

## Our Expertise

Specialty Group, a member of Tokio Marine HCC, retains, on exclusive basis for its restaurant program, the crisis management services of The Acheson Group (TAG)<sup>1</sup>, a leading provider of consulting services in the areas of food safety, training and quality assurance. Along with TAG, Tokio Marine HCC – Specialty Group ensures that policyholders have access to the best service in the marketplace in the event of a covered incident.

Expect excellent service and competitive commissions from Tokio Marine HCC – Specialty Group on restaurant recovery insurance policy.

## What the Policy Covers

The policy provides business interruption coverage to a restaurant location in the event of an incident. This coverage encompasses loss of profits as well as reimbursement of associated expenses such as incident expenses, brand rehabilitation costs, recall costs, extortion monies and crisis management. Adverse publicity in connection with an accidental contamination or adverse publicity that is found to be baseless is also covered. The expenses associated with that incident can be reimbursed for up to 18 months; this coverage is available to restaurants of any size domiciled in the U.S. and Canada.

## How Tokio Marine HCC Can Help

Tokio Marine HCC – Specialty Group strives to provide quotes the same day an application is submitted. Policyholders will have access to independently owned and operated crisis management consultants to assist in handling the various exposures.

<sup>1</sup> These companies are not affiliated with Tokio Marine HCC.

---

## Highlights

---

Tokio Marine HCC – Specialty Group's underwriting team has over 20 years of experience in the food and beverage contamination insurance business. Your clients' businesses can have protection of up to US\$75,000,000 for restaurants anywhere in the U.S. or Canada.

---

- Capacity – Up to US\$75,000,000
- Policies are written on an admitted basis in many states on behalf of Tokio Marine HCC's U.S. Specialty Insurance Company (USSIC) rated A++ by A.M. Best. Coverage is written on a surplus lines basis in the remaining states on behalf of Houston Casualty Company, also rated A++ by A.M. Best. Policies can also be written on a surplus lines basis by certain underwriters at Lloyds London.\*
- 24-hour crisis hotline
- No minimum percentage threshold for the reduction in revenue for coverage to trigger
- Automatic coverage at no charge for all new locations that come about through organic growth
- Acquisitions need to be reported only when the annual sales of the acquired entity are in excess of 10% of the insured's gross revenue
- Full policy limits for product extortion
- Coverage is available to restaurants of any size; single or multi-location enterprises, individual groups of franchisees
- Highest commissions payable to retailers and wholesalers with incentive options available
- No policy issuance fee
- Submissions can be responded to same day of receipt at Tokio Marine HCC – Specialty Group
- Indications available based on preliminary underwriting data

\*Ratings at time of printing.



## Frequently Asked Questions\*\*

### Which events trigger coverage?

- Accidental contamination
- Malicious tampering
- Product extortion
- Adverse publicity and baseless adverse publicity

### What effect does the timing of the discovery of an insured event have on coverage provided?

The triggering event must be discovered during the term of the policy period provided that, as of the inception of the policy, the Insured was not aware, and could not reasonably have been aware, of circumstances which could produce a loss under the policy.

### Once a triggering event is discovered, what coverages apply?

The policy provides a package of protection that goes beyond reimbursement of the Insured for expenses and lost revenue in the wake of a covered event. As part of the coverage the policy affords, specialized services are made available to the Insured for the purpose of crisis response assistance, as well as loss assessment and mitigation. These services are provided by uniquely experienced and qualified professionals from a wide range of disciplines.

### Are royalties covered?

Income from royalties is considered part of the gross revenue declared by applicants. The income streams from covered restaurant locations and royalties income from franchisees are considered the sum of total gross revenue at risk under the policy.

### How do the limits and aggregates function?

The three areas of protection that carry up to policy limits coverage are from an accidental contamination, a malicious tampering, or product extortion. "Baseless" Adverse Publicity, Recall of affected products at a covered location, and rehabilitation costs are available as a sublimit of the selected policy limit.

### Are there any coverage restrictions regarding loss to the Insured by reason of the Insured having received contaminated products or ingredients from a supplier?

Supplier contamination is defined as the accidental contamination or malicious contamination of ingredients or products supplied to the Insured. Tokio Marine HCC – Specialty Group's definition of product extends to include any ingredients supplied from an entity owned or operated by the Insured.

### How does the five day waiting period apply?

The waiting period functions as a threshold for coverage to apply at each single affected location following an analysis of lost and projected sales. Reimbursement of loss of profits back to the date of the incident.

### How long does the business interruption coverage apply?

Business interruption coverage can be purchased for up to eighteen months or up to the point where the revenue stream returns to the level immediately preceding the covered event.

### How does the policy handle coverage for new locations and acquisitions?

New locations opened during the policy term due to organic growth are automatically covered. Furthermore, acquisitions need only be reported when the annual sales of the acquired entity are in excess of 10% of the Insured's gross revenue.

### What should a policyholder do if they feel an incident has occurred?

All policyholders should contact TAG's 24-hour hotline number for immediate assistance. This hotline phone number is provided in each Tokio Marine HCC – Specialty Group's restaurant recovery insurance policy.

\*\*This page is designed to provide a concise overview of the provisions that have been the subject of frequent inquiries. It is not designed to replace the policy itself. For a full description of applicable provisions, please consult the policy wording.

## Coverages

### The Following Incidents are Covered:

- Accidental contamination or any publicity in connection with an actual contamination
- Malicious tampering
- Product extortion
- Adverse publicity and baseless adverse publicity at selected sublimits

Following a food borne illness, accidental contamination, malicious contamination or product extortion, the policy will respond to the financial losses related to the incident. Standard coverage automatically includes income from royalties and a full policy limit for product extortion. No additional premium is charged when new locations are opened due to organic growth during the policy period.

<sup>1</sup> These companies are not affiliated with Tokio Marine HCC

FINANCIAL LOSS INCLUDES:	
<b>Pre-incident expenses</b>	Consultant fees and expenses plus chemical analysis, forensics and/or physical examination in order to ascertain whether a loss has occurred. The policy's self-insured retention does not apply to these costs. Specialized consultants are available 24 hours a day, seven days a week to the Insured.
<b>Recall costs</b>	Compensation for destruction of contaminated products on premises.
<b>Business interruption</b>	Loss of gross revenue and extra expenses for up to 18 months following an incident. (No minimum percentage threshold for the reduction in revenue in order for the business interruption coverage to trigger).
<b>Rehabilitation expense</b>	Reasonable and necessary expenses for a period of up to 12 months to reestablish the Insured's products to the reasonably projected level of sales or market share anticipated prior to the incident.
<b>Extortion costs</b>	Full policy limits for product extortion costs paid in response to demand made upon the Insured under threat to commit a malicious tampering.
<b>Workplace violence</b>	Coverage available in the event of an intentional or unlawful act of deadly force or threat resulting in bodily injury or death, which is directed specifically against the employees, customers or vendors of a covered restaurant location.
<b>Consultant and advisor costs</b>	Fees and costs of consultants to assist the Insured during an incident as per crisis management below.
<b>Crisis management</b>	The Tokio Marine HCC – Specialty Group product comes with a 24-hour crisis hotline which gives access to independently owned and operated consultants available to assist their clients in handling the various exposures. Each exposure has unique characteristics and, therefore, demands its own specialist consultant from these leading U.S. based providers available on a priority basis at all times. Each Tokio Marine HCC – Specialty Group policyholder will have access to the following specialized assistance: <sup>1</sup>  -The Acheson Group, LLC (TAG) responds on food borne illness and contamination issues, and acts as a provider of consulting services in the areas of food safety, training, quality assurance, outbreak alerts and crisis simulation.

### First Insurance Company of Hawaii, Ltd.

1100 Ward Avenue, Honolulu, HI 96814  
ficoh.com

For more information on this product, please contact your independent insurance agent, or contact:

Brenden Beeg  
Marketing Representative  
Tel: 808-527-7408  
brenden.beeg@ficoh.com

A member of the Tokio Marine HCC group of companies

*To Be a Good Company*