

Restaurant Recovery

The Protection Your Clients Need to Keep Customers Coming



Restaurant Recovery Insurance through Totten Insurance 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 your local broker 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

Why Totten Insurance Group?

The Totten Insurance Group underwriting team has over 20 years of experience in the food / beverage contamination insurance business. Your clients' businesses can have protection of up to CDN \$75,000,000 for restaurants anywhere in Canada.

Totten Insurance Group retains, on exclusive basis for its restaurant program, the crisis management services of RQA, a leading provider of consulting services in the areas of food safety, training and quality assurance. Along with RQA, Totten Insurance Group ensures that policyholders have access to the best service in the marketplace in the event of a covered incident.

Expect excellent service on our restaurant recovery insurance policy.

What the Policy Covers

The policy provides business interruption coverage in the event of an incident. This coverage encompasses loss of gross revenues 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. This coverage is available to restaurants of any size domiciled in Canada.

How Totten Insurance Group Can Help

Totten Insurance Group strives to provide quotes the same day an application is submitted. Because the program is supported by major syndicates at Lloyd's of London, who are available for advice and support, underwriters at Totten Insurance Group can provide excellent service in the marketplace. Policyholders will have access to a suite of independently owned and operated consultants to assist in handling the various exposures.

Highlights

- Capacity: Up to CDN \$75,000,000
- Security: 100% underwriters at Lloyd's of 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
- Submissions can be responded to same day of receipt of application
- Indications available based on preliminary underwriting data





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 sub-limits

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.

Financial Loss Includes:

- **Pre-incident expenses:** 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.
- **Recall costs:** Costs incurred during a recall / contamination.
- **Business interruption:** Loss of gross revenue and extra expenses for up to 6 months following an incident. (No minimum percentage threshold for the reduction in revenue in order for the business interruption coverage to trigger).
- **Rehabilitation expense:** 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.

- **Extortion costs:** Full policy limits for product extortion costs paid in response to demand made upon the insured under threat to commit a malicious tampering.

- **Workplace violence:** Coverage available for up to 6 months, in the event 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.

- **Consultant and advisor costs:** Fees and costs of consultants to assist the insured during an incident as per crisis management below.

- **Crisis management:** The Totten Insurance Group product comes with a 24-hour crisis hotline which gives access to a suite of 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 providers available on a priority basis at all times. Each Totten Insurance Group policyholder will have access to the following specialized assistance:

- RQA, Inc. 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.
- Kroll and Security Exchange Ltd. are available to advise, assist and respond to emergency situations involving malicious tampering and extortions.
- Fleishman Hillard is a premier provider of crisis public relations response.

Frequently Asked Questions



What 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 four areas of protection that carry up to policy limits coverage are from an accidental contamination, a malicious tampering, product extortion or as a result of adverse publicity. Recall and rehabilitation costs and baseless adverse publicity are available as a sub-limit of the policy limit. These sub-limits are available at up to \$50,000.

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. The definition of product extends to include any ingredients supplied from an entity owned or operated by the Insured.

How does the waiting period apply?

The waiting period functions as a threshold for coverage to apply for loss of gross revenue for a period in excess of 5 days at each single affected location.

How long does the Business Interruption coverage apply?

Business interruption coverage can be purchased for up to six 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 RQA's 24-hour hotline number for immediate assistance. This hotline phone number is provided with each 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.