

ERGO | NEXT
A Munich Re company

Restaurants Are Easy To Place With ERGO NEXT:

Your Guide To Selling Them Coverage

Restaurants and food businesses are a great fit for ERGO NEXT. They serve customers, manage staff and often handle alcohol — which means their exposure goes far beyond the dining room.

A business owner's policy (BOP) or general liability (GL) is the starting point for coverage, but a complete picture includes coverage for their team, their liquor liability and their data.

In this guide, you'll learn which restaurant clients ERGO NEXT can cover, what coverage they need and how to start the conversation with them.

Food Businesses ERGO NEXT Can Cover

If your client runs any of the following businesses, they're a restaurant client you can place with ERGO NEXT:

- **Fine dining:** White tablecloth and upscale dining operations
- **Casual dining:** Full-service, sit-down restaurants
- **Fast food restaurants:** Quick service and takeout-focused operations
- **Coffee shops:** Cafes and coffee houses with limited or no alcohol service
- **Bakeries:** Retail bakeries with on-site sales
- **Food trucks:** Mobile food service operations
- **Caterers:** Off-site food preparation and services
- **Cafeterias:** Institutional or workplace food service

Sweet spots: Fine and casual dining and takeout-focused restaurants with limited alcohol service are the easiest to place and the most common fit for ERGO NEXT.

Food Business Coverage At A Glance

Industry Category	BOP	GL	CP	WC	Umbrella
Fine Dining	●	●	●	●	●
Casual Dining	●	●	●	●	●
Fast Food Restaurants	●	●	●	●	●
Coffee Shops	●	●	●	●	●
Bakeries	●	●	●	●	●
Food Trucks	●	●	●	◐	●
Caterers	●	●	●	◐	●
Cafeterias	●	●	●	●	●
Bars, Taverns and Pubs	◌	◌	◌	◐	◌
Breweries and Wineries	◌	◌	◌	◐	◌
Buffet-style Restaurants	◌	◌	◌	◐	◌

● = Strong appetite ◐ = Moderate appetite – likely more underwriting questions ◌ = Out of appetite

Coverage For Food Businesses

The core coverage needed by most restaurant clients is a business owner's policy, which combines general liability and commercial property in one policy. For clients without a dedicated space or equipment, general liability on its own may be the right fit.

Depending on how they operate, restaurant and food businesses can also benefit from liquor liability, workers' compensation and additional endorsements such as equipment breakdown, food spoilage or cyber.

Available Products

Business owner's policy (BOP):

Combines general liability and commercial property coverage for restaurant clients with a dedicated space or equipment.

- **Liability limits: $**1M occurrence/$2M aggregate
- **Liability deductible:** $0
- **Property:** Up to $3M total insurable value (TIV), business personal property max $1M
- **Property deductible:** $500–$5K
- Available in all 47 states and Washington, DC.
  - *In CA and WY, general liability and commercial property (CP) are currently sold separately. BOP and CP are not available in FL.*
- Op**tional endorsements:** Umbrella/excess liability, liquor liability, food spoilage, equipment breakdown, cyber, employer practices liability insurance (EPLI), HNOA

Umbrella/excess liability (UMB):

Available as an add-on to GL or BOP.

- **Limits:** $1M/$1M or $2M/$2M

General liability:

Covers third-party bodily injury, property damage and personal or advertising injury.

- **Limits:** Up to $1M per occurrence/$2M aggregate
- **Deductible:** $0
- **Optional add-on:** Cyber endorsement
- Available in all 50 states and Washington, DC
- **Optional add-ons:** Umbrella/excess liability, liquor liability, cyber

Workers' compensation:

Covers medical costs and lost wages if an employee is injured or becomes ill on the job.

- **Deductible**: $0
- **Employers liability:** Up to $1M per accident/per employee/aggregate
- **Includes:** Blanket waiver of subrogation
- Available in 40 states: AL, AK, AZ, AR, CA, CO, CT, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NJ, NM, NC, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WV

Key Endorsements / Add-Ons

Liquor liability: For clients that take orders online or store customer data via credit cards, emails, loyalty or rewards program information.

- Alcohol sales must be under 30% of revenue or up to 50% for fine dining
- Discount available for businesses whose alcohol-serving employees complete a certified training course (ServSafe, TIPS or TAM)

Food spoilage and contamination: For clients with perishable inventory. Helps cover losses from food spoilage or contamination events.

Equipment breakdown: For clients with equipment essential to restaurant operations, such as refrigerators and freezers to ventilation systems and HVAC. Helps covers repair and replacement costs when mechanical or electrical failure puts operations at risk.

Cyber: For clients that take orders online or store customer data via credit cards, emails, loyalty or rewards program information.

Employment practices liability: For clients with employees. Helps cover claims related to wrongful termination, discrimination and harassment.

Hired and non-owned auto: Helps cover employees using a personal vehicle for occasional business errands.

- **Limits:** Up to $1M
- Helps cover occasional errands, not delivery operations. If a client has significant delivery exposure, this coverage is not the right fit.

Note: Be sure to confirm state and class of business availability in the Agent Portal before quoting.

Ineligible Risks

The following will result in a decline:

- More than two claims in the last three years
- More than $20,000 in claims paid in the last three years
- Annual revenue or payroll over $5M
- Bankruptcy, tax or credit liens in the last three years
- Fraud, bribery or arson conviction of an owner, officer or partner in the past five years
- Serves alcohol more than two hours after food service ends
- Open past midnight
- Alcohol production, wholesale or distribution (wineries, breweries, distilleries)
- Nightclubs & Distilleries
- Complimentary drinks or all-you-can-drink specials
- Happy hour or drink promotions lasting more than three hours
- Restaurants with dance floors or sports activities
- Buffet-style restaurants
- Excessive driving exposure by employees or owner

Coverage By Situation

If your client's operations involves any of the following, they need coverage to protect them in these situations:

Work Activity	Primary Exposure	Recommended Coverages
Customers sit down and dine in	Premises liability (slip, fall or injury in the space)	GL or BOP. If customers are in the space, there is potential liability exposure.
Has a physical space with tables, chairs, equipment or fixtures	Property damage, business interruption	BOP
Serves alcohol on-premises	Liquor liability, premises liability	Liquor liability endorsement to GL or BOP
Has staff (even part-time or seasonal staff)	Employee injury/illness	Workers' Compensation
Stores or prepares perishable food	Food spoilage, contamination losses	Food spoilage and food contamination endorsement to BOP or CP
Relies on cooking or refrigeration equipment	Equipment failure, operational downtime	Equipment breakdown endorsement as add-ons to CP or BOP
Takes orders online; Handles customer or employee data	Data breach, ransomware, privacy liability	Cyber endorsement to GL or BOP
Drives personal vehicle for business	Auto liability exposure	Hired & Non-Owned Auto (HNOA) endorsement to GL

Ready to write a restaurant policy?

Log in to the agent portal now and explore your client's coverage options.

Log in to the agent portal and start a quote now.

Tips For Opening Selling Conversations

When talking with restaurant clients, listen to identify the following key moments in their business. Each one is a natural lead-in to a coverage conversation.

You Hear	Conversation Starter
They say they serve alcohol	"What percentage of your revenue comes from alcohol sales? That determines what liquor liability coverage is required for your business — and there's a discount if your staff are ServSafe or TIPS certified."
They have GL but not BOP	"Do you have dine-in or dedicated prep space — tables, chairs or equipment? If so, a business owner's policy bundles property coverage with your liability; one policy instead of two."
They're hiring for a busy season	"Congratulations on the growth. Have you updated your coverage? Most states require workers' comp as soon as you hire your first employee — even part-time or seasonal staff. Plus, updating your policy when you add headcount can help you avoid owing money during your annual workers' comp audit."
They take orders online or run a loyalty or rewards program	"Do you store customer credit cards or employee personal information? If yes, cyber coverage is worth adding. Responding to a data breach is expensive — and cyber can help prevent costs from coming out of your business."
They plan to offer catering or off-site events	"Now that you're moving into catering or off-site events, have you thought about what happens if something goes wrong? Your current policy may not cover that."

Why ERGO NEXT?

- **Built on the financial strength of Munich Re:** ERGO NEXT has an A+ (Superior) AM Best rating and a long-term commitment to help agents sell with confidence.
- **Broad coverage options tailored for small business:** Multiple lines of business (business owner's policy, workers' comp, and more) for 1,300+ professions, available in all 50 states.
- **100% digital experience for agents and insureds:** Online quote-and-bind process with no underwriting delays, digital tools for agents, self-service options for insureds.
- **Best-in-class service you can depend on:** Unlimited certificates of insurance, online claims, bilingual options, dedicated agent support available by chat, phone and email.

Things To Know Before You Quote

Ask your client the following questions and review ineligible risks before you open the quote flow. The more you know up front, the smoother the process — for you and your client.

Questions To Ask

You Hear	Why It Matters
"What percentage of your revenue comes from alcohol sales?"	Eligibility threshold: under 30% for most restaurants, up to 50% for fine dining. Above 50% is a decline.
"What hours do you operate? Do you serve alcohol after food service ends?"	Serving alcohol more than two hours after food service ends, or after midnight, is an ineligible risk.
"Do you have more than one location?"	ERGO NEXT's current appetite supports workers' comp for business with multiple locations in the same state. For general liability and BOP, businesses with more than one location have the ability to write separate policies for each location. This is available in all states except CA, NY, RI, VT, WY & DC.
"Have you had more than two insurance claims or more than $20,000 paid out in claims in the last three years?"	Either threshold results in a decline.
"Do your employees drive regularly as part of their job?"	Excessive driving exposure is an ineligible risk. HNOA covers occasional errands only — not delivery operations.

For support, reach out to:

- **Agent Support:** agents@nextinsurance.com
- **Live Chat:** Available in the agent portal.
- **Phone Support:** 855-222-5919. Available 8 a.m. – 6 p.m. CST.
- **Webinars & Training**: Stay up to date with training sessions on quoting, binding, and agent tools. Upcoming webinars will be announced via email and portal notifications to keep you informed.

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