

Most restaurant owners lease the space where they have established their restaurant. This lease relationship creates some insurance issues that must be handled carefully with all involved working together to make sure that no one is left without insurance protection from a fire. Understanding how your NC business owners insurance policy or your restaurant commercial package policy works in this regard is important for the restaurant entrepreneur.

Under the general liability section of the business owners policy you will see a coverage protection listed as fire damage or fire legal liability. Do not be misled into thinking that this protection will give you what you need to satisfy your lease obligations regarding insurance. This protection is usually limited to \$50,000 coverage and is limited to fire damage only. In contrast, many leases will require that the restaurant owner be responsible to any damages to the building and that the restaurant provides to the landlord proof of such insurance with the landlord added as an additional insured. The fire damage protection provided by your general liability policy or the liability section of your business owners policy will not accomplish this as I mentioned above.

So how is this done? Well if your lease requires you to insure your landlord's building, then you simply need to add building coverage to your restaurant business owners insurance policy. Then you can add the landlord as an additional insured as well. But if your lease doesn't require you to insure the building you occupy, then you have one last thing to remember to do in this area. I'm talking now about tenant's betterments and improvements protection. This protection can be added to your policy, at the limits of protection that you choose, to insure all of the things that you own that are permanently attached to the building. If you had to repaint the interior with a special paint scheme or you installed light fixtures or sconces, these will not be included in your contents or business personal property protection. You need to calculate the value of these improvements and add this protection for the correct limit of insurance to your property insurance policy, whether you have a standard commercial package policy or a business owners insurance policy.

When it comes to insuring your restaurant, you should take the time to carefully understand exactly what you are buying. Be sure to select an insurance agent who understands how to insure restaurants like yours and one who has 50 or more restaurant accounts on the books right now. This type of agent is more likely to help you avoid coverage gaps and is also more likely to help you purchase your insurance policy at a lower cost to you. Clinard Insurance helps hundreds of restaurants all across NC and SC with their insurance needs. If you need help or a second opinion on your restaurant insurance, please feel free to call us, toll free, at 877-687-7557 or visit us on the web at [www.TheRestaurantInsuranceStore.com](http://www.TheRestaurantInsuranceStore.com).

