

Restaurant owners are busy people, often tasked with having to solve immediate and demanding problems almost continuously in order to keep their establishment running smoothly. So it is little wonder that few restaurant owners take the time to fully understand the ins and outs of their insurance policies. One of the areas where we often see coverage gaps, besides the most common, which is a lack of workers compensation insurance, is in the area of protection for signs and awnings. And let's face it, what is a restaurant without a sign to attract business? Well, it is probably one that won't be serving meals for long.

So how do you insure your awnings and signs? Let me start by saying that insurance policies are different from one state to another and from one insurance company to another so what I describe in this blog may or may not reflect your particular situation. The information that follows is a general guideline but you should always study your policy's language and consult with your insurance agent to make sure that you have the protection that you want for your restaurant. With that in mind, the most basic guideline for awnings and signs coverage is that as long as these items are permanently attached to your building, then their values can be added to the building coverage on your businessowners insurance policy.

But a large percentage of restaurant owners don't own the building that houses their restaurant. So how can they cover their attached signs and awnings? Generally this is done by adding coverage called tenant's betterments and improvements. This coverage will apply to any items that are permanently attached to the building such as the interior paint job you paid for or for the wall to wall carpeting that you installed before you opened. It is important that when you calculate how much tenant's betterments and improvements coverage you need, that you add in everything that is permanently attached to the building.

But this conversation has left off a situation that can leave restaurant owners short of coverage even if they own and insure the building itself. That is protection for free standing signs that are not attached to the building. If you have a free standing sign, then you will need to add specific sign coverage to your policy to cover your free standing signs. In this case you will need to purchase a limit of coverage specific to each free standing sign that you have. Each sign will be listed individually on your policy with a specific limit of coverage for each sign.

Now, one last tip for those of you who own signs and awnings attached to a building that you do not own. Most insurance companies will ask you to cover them by adding the above mentioned tenant's betterments and improvements coverage to your policy. The rates for this coverage are based on the building insurance rates for your building. In almost every case, the rate per

\$1000 of coverage for building coverage is far below the rate per \$1000 of coverage that you will pay for your contents coverage on your businessowners policy. Here's the tip: There are a number of insurance companies who will take your improvements and betterments coverage and simply note the file as to the amounts and what is covered, then simply increase your contents limit to reflect these items. While this may at first seem more convenient as you have just one coverage limit to manage, in the end this process will cost you much more as you will be paying contents rates instead of the lower building rates for this protection. In addition, building coverage is often much broader in scope than contents coverage so you could be buying an inferior insurance protection.

If you own signs, awnings, or any other items that are permanently attached to the building where your restaurant is located, it is important that you have a conversation with your insurance agent to make sure that you have the protection that you need for these investments. If you would like help with your restaurant insurance, please feel free to call us, toll free, at 877-687-7557.