

Commercial Risk Summary – Retail Food & Beverages

RETAIL FOOD AND BEVERAGE STORES

UK SIC CODE:

47110 (2007) / 52112 (2003) General store with predominant sale of food beverages or tobacco products (licensed) (retail)

47110 (2007) / 52113 (2003) General store with predominant sale of food beverages or tobacco products (unlicensed) (retail)

Description of operations: Retail food and beverage stores offer retail sales of a variety of foodstuffs: either fresh, frozen or tinned. Pharmaceuticals, household disposable and cleaning items, spirits products (where permitted), tobacco, cooking utensils, and in some cases, basic tools, motor vehicle maintenance items and light hardware items also may be sold. Foodstuffs can be pre-packaged or bulk.

Other services offered may be bakeries, delicatessens, fresh fish or meat cutting, drug or pharmacy services, photo development, and video rental. Many large superstores also act as department stores and sell clothing items, household furnishings, and even offer petrol and fuel oil, in addition to automotive services and repair. The items for sale, the services offered, and the exposures of each individual operation need to be carefully reviewed and evaluated.

Sanitary conditions and strict housekeeping standards are crucial. Operations may be plagued by pests and rodents if standards are not set and maintained, and if disposal of food waste is not properly handled.

Property exposures are primarily electrical. The wiring must be adequate for the equipment that is in place and up to code. All equipment, especially refrigeration units, should be well maintained and in good condition. Any exposure to cooking increases the potential for fire loss. The fire protection needed will depend on the type of cooking that takes place.

The storage and disposal of boxes, packaging, and wrappings can add significantly to the fuel load of fire if not handled properly. Are there on-premises incinerating devices to burn or dispose of combustible waste? If so, age, condition, maintenance, and controls are key.

Power outages of even moderate duration can render fresh and frozen goods unfit for consumption or sale. What alarms and warning devices are in place to alert the operation to loss of power? What backups are available?

Crime exposure can be extreme for both Employee Dishonesty and Theft of Money and Securities. If there is a 24-hour exposure or even late night/early morning hours, supermarkets can be a target for robbery. What crime protection and detection is in place? What is the training of employees in case a crime occurs? How is money handled and what controls are in place for cash? Employees may be in collusion on the thefts so pre-screening and employee monitoring is also important.

Premises liability is always a concern in a retail exposure where the public comes to the premises. Floor covering must be in good condition, with no frayed or worn spots in carpet and without cracks or holes in flooring. During inclement weather, snow, mud, and water will be continually tracked into the facility because of the high traffic exposure. What procedures are in place to prevent slip and falls or injury of customers and visitors? There should be monitoring of the self-serve areas for spills and breaks that can lead to slip and falls.

Sufficient exits must exist and be well marked, with backup lighting systems in case of power failure. Car parks and pavements need to be in good repair, with snow and ice removed, and generally level and free of exposure to slip and falls. Security of visitors in parking areas is rapidly becoming the responsibility of the owner or operator of the premises. Is the exterior lighting adequate? What other security measures are in place?

Products liability for this type of operation results from items prepared on premises. These foods may cause food poisoning or be contaminated. What controls are in place to prevent all types of

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contamination from chemicals (insecticides and pesticides)? Is there a stock rotation procedure? How is the housekeeping?

Motor liability also can be a high exposure if delivery services are provided. This risk must be carefully evaluated, as must the training and records of all drivers and the care and maintenance of the vehicles used.

Employers' liability exposure comes from lifting that can cause back injury, hernia, sprain, and strain. What kind of training do employees receive, and what types of material lifting or conveying devices are used? Repetitive stress injuries such as carpal tunnel syndrome plague butchers, as do cuts and potential injury from saws, grinders, and other meat processing equipment. What kinds of guards and/or protection are in place?

Anhydrous ammonia refrigerants are poisonous when leaked into confined spaces like coolers. What types of controls are in place to maintain, check, and prevent such injury?

Minimum recommended cover:

Machinery and Contents, Business Interruption, Employee Dishonesty, Money and Securities, Book Debts, Computers, Public/Product Liability, Employee Benefits, Excess of Loss/Difference in Cover, Commercial Motor Liability, Employers' Liability

Other covers to consider:

Building, Material Damage, Computer Fraud, Employment Practices Liability

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Broker: The covers listed below are suggested for consideration. After evaluating each of the listed covers, check the recommended blank by those that apply specifically to the client. Make sure both the exposure and the cover are explained thoroughly to the client.

Client: For each of the covers that the broker has recommended, initial whether you have chosen to accept or reject that cover in the blanks provided.

Please note that this list is NOT exhaustive. If you have a specific need not on the list, please contact us at Robison & Co Ltd to address your needs and to arrange a bespoke policy.

CLIENT/BROKER COVER AGREEMENT

	Recommend	Accept	Reject	N/A
PROPERTY				
Buildings				
Standard Cover	_____	_____	_____	_____
Basic (Additional Perils)	_____	_____	_____	_____
Catastrophe (FLEA)	_____	_____	_____	_____
Additional Building Covers				
Accidental Damage	_____	_____	_____	_____
Subsidence	_____	_____	_____	_____
Terrorism	_____	_____	_____	_____
Domestic Perils	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Tenants Improvements				
Machinery and Contents				
Premises	_____	_____	_____	_____
Portable	_____	_____	_____	_____
Office Contents				
Premises	_____	_____	_____	_____
Portable	_____	_____	_____	_____
E-Risks				
Computer Hardware	_____	_____	_____	_____
Computer Software	_____	_____	_____	_____
Computer Data	_____	_____	_____	_____
Stock				
	_____	_____	_____	_____

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	Recommend	Accept	Reject	N/A
Work in Progress	_____	_____	_____	_____
Customers Goods Held in Trust	_____	_____	_____	_____
Other Property Covers				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Settlement Bases				
Indemnity	_____	_____	_____	_____
Reinstatement	_____	_____	_____	_____
Day One – uplift NN%	_____	_____	_____	_____
85% Average	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
CONSTRUCTION/SITE RISKS				
Contract Works (Contractors All Risks)	_____	_____	_____	_____
Permanent	_____	_____	_____	_____
Temporary	_____	_____	_____	_____
Contractors Plant and Equipment	_____	_____	_____	_____
Own Plant	_____	_____	_____	_____
Hired In Plant	_____	_____	_____	_____
Offsite Storage (Materials)	_____	_____	_____	_____
Site Cabins and Temporary Buildings	_____	_____	_____	_____
Other Construction/Site Risks				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
ENGINEERING COVERS				
Damage and Breakdown	_____	_____	_____	_____

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	Recommend	Accept	Reject	N/A
Boilers and Pressure Plant	_____	_____	_____	_____
Engine Plant	_____	_____	_____	_____
Electrical and Mechanical Plant	_____	_____	_____	_____
Lifting Machinery	_____	_____	_____	_____
Erection and Installation	_____	_____	_____	_____
Inspection	_____	_____	_____	_____
Engineering Interruption	_____	_____	_____	_____
Machinery Movement	_____	_____	_____	_____
Computers	_____	_____	_____	_____
Other Engineering Covers				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
BUSINESS INTERRUPTION COVERS				
Business Interruption With Increased Expenditures	_____	_____	_____	_____
Gross Profit / Revenue / Rentals/ Other	_____	_____	_____	_____

Increased Cost of Working	_____	_____	_____	_____
Additional Increased Costs	_____	_____	_____	_____
Declaration Uplift NN%	_____	_____	_____	_____
Indemnity Period NN months	_____	_____	_____	_____
Extensions				
Prevention of Access	_____	_____	_____	_____
Failure of Utilities – Station Only	_____	_____	_____	_____
Failure of Utilities – Terminal Supply	_____	_____	_____	_____
Key Suppliers - Specified	_____	_____	_____	_____
Key Suppliers - Unspecified	_____	_____	_____	_____
Key Customers - Specified	_____	_____	_____	_____

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	Recommend	Accept	Reject	N/A
Key Customers - Unspecified	_____	_____	_____	_____
Goods in Transit	_____	_____	_____	_____
Motor Vehicles	_____	_____	_____	_____
Pattern Moulds and Dies	_____	_____	_____	_____
Contract Penalties	_____	_____	_____	_____
Loss of Attraction	_____	_____	_____	_____
Murder and Suicide	_____	_____	_____	_____
Infectious Disease	_____	_____	_____	_____
Defective Sanitation	_____	_____	_____	_____
Property Stored Elsewhere	_____	_____	_____	_____
Contract Sites	_____	_____	_____	_____
Outworkers	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Other Business Interruption Covers				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
LIABILITY COVERS				
Employers Liability	_____	_____	_____	_____
Public Liability	_____	_____	_____	_____
Legal Expenses	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Products Liability	_____	_____	_____	_____
Products Recall	_____	_____	_____	_____
Financial Loss	_____	_____	_____	_____
Environmental Impairment Liability	_____	_____	_____	_____
Directors and Officers Liability	_____	_____	_____	_____
Management (Entity) Liability	_____	_____	_____	_____

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	Recommend	Accept	Reject	N/A
Employment Practices Liability	_____	_____	_____	_____
Media / Cyber Liability	_____	_____	_____	_____
Special Events Liability	_____	_____	_____	_____
Professional Indemnity (Errors and Omissions)	_____	_____	_____	_____
Accountants	_____	_____	_____	_____
Architects	_____	_____	_____	_____
Consultants	_____	_____	_____	_____
Contractors	_____	_____	_____	_____
Engineers	_____	_____	_____	_____
Financial Advisors	_____	_____	_____	_____
Solicitors	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Trustees Liability (Charity or Pensions)	_____	_____	_____	_____
Other Liability Covers				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
BENEFITS				
Employee Benefits	_____	_____	_____	_____
Group Personal Accident	_____	_____	_____	_____
Group Income Protection	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
GOODS IN TRANSIT COVER				
Goods in Transit	_____	_____	_____	_____
Own Goods	_____	_____	_____	_____
Consigned Goods	_____	_____	_____	_____
Freight Forwarders Liability	_____	_____	_____	_____

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	Recommend	Accept	Reject	N/A
Hauliers Liability	_____	_____	_____	_____
Warehouse Keepers Liability	_____	_____	_____	_____
Other Goods in Transit Cover				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

OTHER RELEVANT BUSINESS COVERS

All Risks to Cover Portable Equipment	_____	_____	_____	_____
Book Debts	_____	_____	_____	_____
Cameras and Musical Instrument Dealers	_____	_____	_____	_____
Credit Risks and Bad Debt	_____	_____	_____	_____
Deeds and Documents	_____	_____	_____	_____
Difference In Cover / Difference in Limits (DIC/DIL)	_____	_____	_____	_____
Excess of Loss	_____	_____	_____	_____
Film Cover	_____	_____	_____	_____
Furriers Block	_____	_____	_____	_____
Glass and Signs	_____	_____	_____	_____
Goods Held in Trust	_____	_____	_____	_____
Instalment Sales	_____	_____	_____	_____
Jewellers Block	_____	_____	_____	_____
Loss of Profits or Money	_____	_____	_____	_____
Specie and Fine Arts	_____	_____	_____	_____
Specie and Fine Arts Dealer	_____	_____	_____	_____
Theatrical Property	_____	_____	_____	_____
Other Relevant Business Covers				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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	Recommend	Accept	Reject	N/A
CRIME COVERS				
Money, Securities and Other Property				
Employee Dishonesty	_____	_____	_____	_____
Computer Fraud	_____	_____	_____	_____
Funds Transfer Fraud	_____	_____	_____	_____
Kidnap and Ransom	_____	_____	_____	_____
Loss of Money	_____	_____	_____	_____
Terrorism	_____	_____	_____	_____
Theft	_____	_____	_____	_____
Full Theft	_____	_____	_____	_____
Other Crime Covers				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
COMMERCIAL MOTOR COVERS				
Comprehensive	_____	_____	_____	_____
3rd Party Liability	_____	_____	_____	_____
Fire and Theft	_____	_____	_____	_____
Hired Vehicles	_____	_____	_____	_____
Hired Plant and Vehicles	_____	_____	_____	_____
Motor Fleet	_____	_____	_____	_____
Motor Trade	_____	_____	_____	_____
Garage or Internal Risks	_____	_____	_____	_____
Road Risks	_____	_____	_____	_____
Other Commercial Motor Covers				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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	Recommend	Accept	Reject	N/A
AVIATION COVERS				
Hull All Risks	_____	_____	_____	_____
Aircraft Liability	_____	_____	_____	_____
Hangarkeepers Liability	_____	_____	_____	_____
Passenger Liability	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

MARINE COVERS				
Cargo	_____	_____	_____	_____
Hull Cover	_____	_____	_____	_____
Owners Liability	_____	_____	_____	_____
War	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

BONDS				
Bid Bond	_____	_____	_____	_____
Contract Bond	_____	_____	_____	_____
Payment Bond	_____	_____	_____	_____
Licence Bond	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

BESPOKE COVERS				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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Comments

I certify that I have reviewed my cover needs in accordance with this checklist with my broker and I have accepted or rejected the recommended covers as indicated by my initials in the spaces above.

_____ Signature of Client _____ Date

_____ Title

I certify that I have reviewed the covers outlined in this checklist with my client and that the initials of the client indicate the acceptance or rejection of the covers recommended.

_____ Signature of Broker _____ Date