

Insurance for the café and restaurant sector

What are the key risks in the café and restaurant sector?

The café and restaurant sector is dynamic, with owners and operators busy juggling the plates and spinning the bottles required in the day-to-day management of such a fast-paced industry.

Whether you're running a café, restaurant or catering business, some of the key risks you face include protecting your staff from workplace accidents, your property and business assets from theft, accidental damage, fire and weather-related risks, plus taking reasonable steps to ensure the safety of your customers at your premises and the safety of the products you're serving them.

Depending on the conditions of your lease, you may be required to have a minimum amount of insurance for public liability and glass cover.

Who should consider insurance?

Whether you're running a small café or a restaurant chain, as an industry with complex risks where no two businesses are alike, a range of flexible and customised insurance covers are required to protect your business, staff, assets and customers.

Did you know?

8%

Insurance accounts for an average of 8% of the total business costs of cafes and restaurants.

(Restaurant and Catering Association, 2020 Industry Benchmarking Report)

4.5x

Cuts, punctures and scrapes make up a third of restaurant workers' compensation claims, but slips and falls cost 4.5 times more.

(AM Trust Financial, Recent Trends in Restaurant Claims)



Machinery breakdown is the most common claim made by cafes, restaurants and take away shops.

(AAMI Top 6 Hospitality Insurance Claims)

"Australia's café, restaurant and catering sector turns over more than \$37 billion each year and employs 450,000 people, with more than 93% of businesses employing less than 19 people."

[Restaurant and Catering Association, 2020 Industry Benchmarking Report.](#)

What insurance should you take out – and what can it cover?

Insurance can protect you and your employees onsite, on the way to work and at work.

| Type of cover | Potential benefits |
|------------------------------|---|
| Business pack | Helps safeguard your business premises and contents against: <ul style="list-style-type: none">• damage caused by fire, storm or accidental damage• equipment or machinery breakdown• business interruption• employee dishonesty• glass damage• legal issues, such as with public and product liability• tax audit• theft, and theft or loss of money. |
| Public and product liability | Can cover claims against you if it's held that a negligent act by your business or its products results in personal injury or property damage. |
| Cyber | Helps safeguard you and your business against expenses and legal costs if your website or other systems are hacked and your system cannot be used or customers' details are stolen. |
| Motor insurance | Takes care of your valuable business vehicles, with cover to help: <ul style="list-style-type: none">• if you or your staff damage another person's vehicle• repair your vehicle after an accident or replace it if it's written off• replace a lost or stolen vehicle• safeguard you against legal liability. |
| Workers' Compensation | Can cover the cost of your employees' wages, rehabilitation and medication if they become sick or injured through their work. |

Limits, excesses and exclusions



Policy exclusions, the excesses you need to pay and limits of liability can vary greatly depending on your insurer and the requirements of your business.

Case Study



Joe runs a small cafe in bayside Melbourne. He opens the business one Friday morning only to discover that during the night the compressor of his commercial refrigerator had failed, causing the temperature to rise to 26 degrees. Thankfully, Joe had business pack insurance that included equipment breakdown, which covered both the cost of repairs to his refrigerator and the value of the spoiled food he had to throw out.

Contact us today



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This information is provided to assist you in understanding some of the terms, implications and common considerations of Cafe and restaurant insurance. It does not take into account your specific objectives, financial situation or needs. It is also not financial advice, nor complete, so please discuss the full details with your Steadfast insurance broker as to whether this type of insurance is appropriate for you. Café and restaurant insurance usually has a deductible/ excess, exclusions and limits of liability.