

Restaurant Industry Loss Mitigation Checklist

All across the nation, the COVID-19 outbreak has forced restaurant and fast food establishments to close their doors in massive numbers as the vast majority of Americans stay at home. Even those that haven't closed have been forced to only offer pick-up and delivery services. As a result, the restaurant industry is suffering massive revenue losses on a never before seen scale. Businesses are looking for answers regarding insurance coverage for business interruption, extra expense, and other possible impacts. Although there are uncertainties around the types of coverage and recovery available (if any), businesses should still be prepared to quantify, document, and properly present financial claims.

Imperium has assembled this checklist to help clients evaluate potential claims for business interruption and loss-related expenses. Efforts clients make early on to contemporaneously track, document, and quantify losses are among the best practices to maximize potential future recoveries.

1. Business Interruption, Loss of Income, Potential Claims

- » Identify and review all relevant insurance policies
- » Communicate with broker, carrier, and adjuster to establish a claims process, including the immediate next steps
- » Set up dedicated loss and recovery expense accounts to track all costs related to the event
- » Track and document potential delayed events that drive revenue generation or create added cost, and other lost sales or loss event costs
- » Be prepared to provide at a minimum the following information to document the claim:
 - Monthly profit and loss statements
 - Daily and monthly sales records
 - Monthly inventory records
 - Monthly payroll registers
 - Invoices and other documentation in support of event related expenses

2. Consideration for Extra Expense

- » Receipts for additional incidentals:
 - Cleaning and office supplies (e.g., rubber gloves, masks, cleaning wipes, filters, etc.)
- » Document additional expenses for security
- » Invoices in support of meal expenses for employees

- » Documentation in support of advertising and promotional expenses related to regain lost customer traffic
- » Consulting or attorney fee invoices
- » Document inventory disposed (e.g., costs, items, quantities, photographs and video)
- » Assemble documentation in support of the cost and quantities of replaced inventory
- » Assemble documentation in support of the cost and quantities of inventory prior to disposal

For more information, please reach out to our colleagues below or visit www.ImperiumCG.com. Imperium is available to provide an initial consultation at no cost to help clients make the best decisions possible now.

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