



RAINBOW



RESTAURANT INSURANCE MARKET GUIDE

This comprehensive guide will give you a pulse on the restaurant industry and restaurant insurance trends, plus provide the strategies you need to crush your sales goals in 2023.



The restaurant industry has been through historic changes since the start of the pandemic.

While these impacts have created new challenges and frustrations for both agents and their clients, there are positive trends that make 2023 a better time than ever to target restaurants.

This guide breaks down some of the top trends within the restaurant industry and the restaurant insurance market, and how agents can face these challenges and opportunities head on to tap into the lucrative restaurant market. Let's dive in.

RESTAURANT INDUSTRY TRENDS

The pandemic, inflation, hiring problems, increased wages, and changing behaviors have all made the time period from 2020 to 2023 one of the most tumultuous times in restaurant history. Miraculously, restaurants are still gaining steam in midst of these challenges.

Food prices are increasing

Menu prices rose **8.2%** between December 2021 & December 2022

Carry-out, delivery and through food has increased.

In restaurant dining has decreased by **16%**

Direct online ordering via restaurant websites rose dramatically.

18% increase in offering direct online ordering.

Hiring continues to be difficult

62% of restaurant operators say their restaurant does not have enough employees to support its existing customer demand.

Employee wages have increased

Hourly wages surpassed **\$17/hour** in Aug 2022, in comparison with \$14.17 in 2020.

Mental stress is high

Mental stress **workers' compensation claims increased by 71%** for restaurants, with 2021 being the highest on record.

Restaurant owners got creative to stay open during the pandemic, and they are not fully protecting themselves.

49% of restaurants in 2022 have not conducted a formal assessment of hazard exposures in the past 2 years.



Despite all of these difficulties, restaurants are still seeing momentum. This market is resilient and excited for the future.

New restaurants are increasing



45,000 new restaurants, net of permanent closures, opened in the past three years. This is more than any other comparable period over the last 25+ years.

Restaurants are still pressing ahead and hopeful for the future.



75% of the restaurant operators plan to adopt new technology in 2023, and nearly half plan on pursuing a loan to support business growth.



RESTAURANT INSURANCE TRENDS

While the restaurant industry is ever evolving, the insurance market is traditionally stagnant and slow to change. With outdated products, lack of customizable coverages and dated processes, agents and their customers face many hurdles along the way.

No carrier is writing outside of the box, and loss control is everything.



David DeLorenzo
Founder, Bar & Restaurant
Specialty Group

1

Restaurant insurance products are outdated.

Outdated products and “one size fits all” generalized insurance don’t always work. Required inspections are generally completed during business hours which are disruptive, sometimes forcing them to take on unexpected investments, leaving them annoyed with their agent.

2

Carrier appetites and guidelines lack longevity and are constantly shifting.

Carriers unexpectedly get off classes, without regard to the insured, because

they decided it puts their profitability at risk. This puts renewal retention and new production at risk.

3

Smaller agents are overlooked by large carriers for restaurant insurance.

New or smaller agencies struggle to meet production requirements to gain product access, and agents who do gain access are beholden to placing business with them to maintain an appointment.

4

Quote to bind process is STILL a headache.

Traditionally, placing restaurant insurance is a long, inefficient process which is annoying for both the agent and the restaurant owner.

You can't be dependent on one market because of the ebb and flow in and out of the marketplace.





NAVIGATING THESE CHALLENGES

Crush Your Restaurant Sales Goals in 2023

Find a modern restaurant insurance product that offers coverages and services for the changing landscape of restaurants.

Network, build and maintain relationships with contacts at a variety of carriers. By freeing yourself from the confines of one marketplace, you'll set yourself up for success when changes occur for your clients or you have an extremely specific coverage to place.

Become an expert in the restaurant industry and marketplace instead of being a generalist. By deeply understanding the market, you'll find better products and have greater customer retention and satisfaction. Specialization will lead to an increase in sales.



Restaurant owners rely heavily on their agent to manage their insurance needs and rarely fully understand them, whether for lack of time or understanding due to the complexity. This is why it's imperative they have an agent who they trust and is a true expert in the restaurant space.



Harlan Scott
Owner, Valentino's Pizza

Find an insurance product without production requirements. This way, no matter your size, you're able to offer specialized coverage for your client and are not beholden to a carrier and can prioritize your client over carrier appointments.

Get a tailored restaurant insurance product for your clients with a fast quote to bind process. It's 2023—there's no time to waste on a dated process, or you'll risk losing your client to a competitor.

Use technology to streamline the sales process and automate tedious tasks, while maintaining the human touch. Customer service should be easy, automated and reliable.



The use of AI chatbots for insurance will lead to operational cost savings of almost \$1.3 billion by 2023.

WHY RAINBOW IS A GAME CHANGER

Rainbow offers fast, comprehensive coverage for your clients. It's 100% built for restaurants and adjusts to their business in real time with pay as they grow coverage.

Rainbow provides flexible coverage for almost anywhere that services food, catering to the many changes that have occurred in the restaurant industry, with coverages available, from fast food to fine dining.

Rainbow highly values relationships and the policyholders choice to select who they do business with. This is why Rainbow has no production requirements.

With Rainbow's 100% digital platform, Agents can quote and bind within 5 minutes or less 24/7.

- Quote before getting appointed
- Answer fewer questions at submission
- Dedicated underwriting team available throughout submission process
- Transparent Premiums
- Instant issuance of policies and COIs

Plus, Rainbow offers competitive profit share plans.



Bakeries



Casual full service



Coffee shops



Fast food



Fine dining



Sandwich shops



Pizza shops

**Your clients will LOVE Rainbow
and in return, you will increase
sales and retention rates.**



**Pay-As-You-Go
payment plans, so
they never overpay**

- POS integration
- No final audit requirements

**Discounted
premiums for safe
business practices**

- Digital loss control program, eliminating onsite inspection
- Risk management resources

**Tailored coverage
solutions**

- EPLI
- Cyber
- Customizable Property Enhancements
- Assault & Battery
- And more...



GETTING STARTED IS EASY

Interested in getting appointed with Rainbow
Insurance? We'd love to chat with you!

Get appointed



Have questions?

sales@userainbow.com