

Curbside Takeout and Delivery at the Club: New Strategy = New Risks



Clubs have always had to be adaptable. But as with other industries, the COVID-19 pandemic has forced clubs to get more creative than they've ever been, especially when it comes to their food, beverage, and restaurant services.

To keep serving members and guests, keep their staff busy, and generate some revenue, clubs have developed several new solutions. Some have developed takeout and delivery services. Others have even added makeshift grocery stores and offered semi-prepared food for members to take home and cook. Most clubs have access to ingredients their members simply don't, so these are all appealing options. However, it's also important to know that where there's a new business strategy, new risks are likely to follow. Here are some considerations to keep in mind if you're currently offering or considering these types of services.

General Food Safety

Food safety and preparation guidelines vary from state to state. Be sure to check with your state health department for specific regulations. Here are some general considerations to start with:

Storage

All foods should be held in clean environments and kept away from what may lead to contamination. Ensure refrigerators are set at the correct temperatures to keep food safe. Refrigerate or freeze all perishable food items immediately when they enter your work area to help prevent early spoilage. Ensure your club has a safe system in place for temporary food storage while it is waiting to be picked up or delivered.

Safe Handling

The basics of safe food handling involve cleanliness and time/temperature control. We've outlined a short list of precautions below, but it's by no means exhaustive.

- Wash cutting boards and cooking utensils immediately after they contact raw meats to prevent bacterial infections.
- Perishable prepared and semi-prepared items should not be left out for more than two hours or more than one hour if it is above 90° F.
- If cooked food won't be served for more than two hours, keep it at 140° F by covering with foil and placing it in a low oven.
- Once condiments are opened, store in the refrigerator or beverage cart cooler.
- Foods intended for later consumption (such as grab-and-go items) should be labeled and stored properly. Label all foods that are stored for later consumption and/or use.

Preparation

In addition to the practices above, it's important to ensure ingredients are cooked properly when they're included in a dish. Always use a food thermometer and measure the temperature at the thickest point, checking that it reaches the correct internal temperatures.

Products Liability

Following the basic guidelines above (along with those outlined by your state health department) is a critical first step in preventing product liability exposure, which results from food poisoning, contamination, and

allergic reactions. Besides what has already been listed, here are some additional steps you can take to help reduce your risk and keep your members and their guests safe:

- Monitor the quality of the food you receive.
- Keep accurate records of products and batches to watch out for recalls.
- Rotate stock regularly so older items are sold first and out-of-date stock can be removed.

If you receive a complaint from a patron, be sure to document the details of the complaint and confirm the details with your kitchen staff. You should also inform your local health department, as well as your insurance broker, and follow up with the patron.

Liquor Liability

Depending on state and local laws, many food service establishments have been able to sell alcoholic beverages, including ready-made cocktails, for takeout and even delivery. It's an attractive offering for patrons, allowing them to get an experience closer to eating out. Of course, all of this can increase your risk of liquor liability exposures.

Liquor liability exposures most often occur from selling liquor to underage or already intoxicated individuals. Failure to adhere to state and federal regulations can result in loss of a liquor permit.

Be sure to have a set procedure for checking ages of those trying to purchase alcohol. You should also provide training to all employees on how to spot signs of intoxication. Of course, document your procedures and employee training. If you have any questions along the way, reach out to your insurance agent or broker.

Auto Exposure for Delivery Drivers

More clubs are now offering delivery services, which can take many forms. Maybe you have a staff member drive a company vehicle, but more likely, delivery drivers will be tasked with using their own. Hired and Non-owned Auto insurance protects your club from liability expenses related to accidents that involve vehicles used by your club but not owned by your club. This includes employees' personal vehicles, as well as rented vehicles used for business purposes, including delivery services.

Under this insurance coverage, your club is the named insured, but it can cover the actions of both full- and part-time employees. The coverage can be added to your club's automobile policy or even your business owner's policy or other insurance packages. In most instances, it covers liability claims and defense costs. Examples of covered costs include attorney fees, settlements or judgments, and other court costs if a restaurant is sued as a result of the accident.

While it's true that an employee's personal automobile insurance will provide primary insurance for accidents if the employee is using their own vehicle for a delivery, their personal coverage won't protect your business if a claimant files suit. This is where the Hired and Non-owned Auto coverage comes in.



Driver Safety for Delivery Drivers

With the proper coverage in place, let's look at what your club can do to help promote driver safety and prevent accidents from happening in the first place. Here are some steps you should consider taking even if your insurance company doesn't require them.

- Collect motor vehicle records (MVRs) for anyone who may be driving for you. Drivers with serious violations (e.g., DUI, speeding in excess, reckless driving, or any suspension or revocation) should not be allowed to make deliveries.
- Comply with all state and local requirements for delivery drivers.
- Ensure all drivers have a valid driver's license with a minimum of three years' licensed driving experience.
- Obtain a copy of each driver's current auto insurance declaration page. Verify the employee has coverage for deliveries, as many personal auto policies have exclusions for delivery. If there is no coverage on their personal policy, do not allow them to drive for your business.
- If employees will use their own vehicles for deliveries, remind them that their personal insurance will pay first.
- Inspect delivery vehicles and ensure vehicles are in proper operating condition each day before a trip is made. If a vehicle fails inspection requirements, do not allow employees to operate the vehicle for work purposes.

- Never ask drivers to rush. Accidents are far more costly than a customer being angry about a late meal.
- Mandate that delivery drivers sign policies on safe driving and distracted driving.
- Hold regular safety classes for drivers.

Most Importantly: Make Sure You Have Adequate Insurance Coverage

Before you launch any new service offerings, it's critical that you talk to your agent or broker to ensure you have the proper coverages and licenses. Don't wait until your renewal or, especially, once a claim occurs. Your broker will ensure you understand the risks associated with any services you're planning to offer, so you can relax knowing you're making the best business decisions for your club. That way, you can focus on servicing your patrons and keeping your employees safe.

For more information about how you can minimize the risk for your club, and to ensure you have the coverage you need, reach out to your Account Manager or contact us today at info@vgminsurance.com or **800-362-3363**.

