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Insurance Services

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2019

AmTrust

RESTAURANT RISK REPORT

www.amtrustfinancial.com/restaurant-risk-report

Slips and falls are most expensive restaurant claims – costing 4.5 times more than others

Average claims costs vary widely across different injuries, lost time, seasonality, geographical and restaurant types.

Cuts, punctures or scrapes make up a third of restaurant claims reported – not surprising for an industry where slicing and dicing plays a major role in prepping food. But, while sharp objects might cause the most reported claims, slips and falls resulted in 4.5 times more in paid losses. However, reported slips and falls claims were relatively flat over a five-year period, with a 2% drop in paid loss.

This revelation, along with several other insights, were part of AmTrust Financial's review of restaurant class

codes to see what trends were emerging. Industry data over the past ten years shows an average of 48.3% to 50% loss ratio for workers' compensation restaurant claims.

While industry data shows fluctuations over the past ten years, it's generally moved in a downward trend. There are a variety of loss control practices restaurants can implement to reduce the frequency and severity of injuries, continuing to decrease claims while keeping employees safer. Injured restaurant employees, on average, take 30 days to return to work based on claims with lost time. Summertime also saw a spike in the number of claims filed.

Consistent and disciplined operational processes, footwear that reduces slips and a culture that prioritizes worker safety are some of tactics that can help restaurants reduce risks for employees.



Cuts, punctures or scrapes make up a **third of restaurant claims** reported

In an industry where slicing and dicing plays a major role in food preparation, it's not a surprise that cuts, punctures and scrapes make up a third of reported restaurant claims. However, there are certain measures that can be employed to help reduce the severity of these injuries.

Reducing cuts and puncture wounds can start with training employees in best practices on the correct knife to use, how to use it and proper maintenance and storage.

And, while knives might cause the most reported claims, slips and falls resulted in 4.5 times more in paid losses. However, the amount of slips and falls claims reported over a 5-year period were relatively flat, with a 2% drop in paid loss.



4.5 times more

Slips and falls account for 4.5 times more in paid losses than punctures or cuts

Paid Loss

SLIPS AND FALLS

\$198.4M

STRAIN

\$124.1M

MISC.

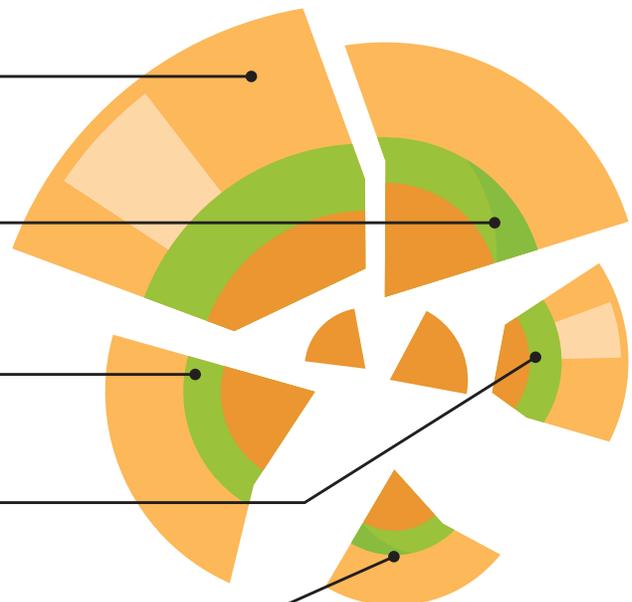
\$61.9M

STRUCK

\$57.2M

OTHER*

\$38.5M



Note: Graph shapes are not representative of the actual paid loss amount. *Other constitutes motor vehicles \$20.1M, strike against/step on \$12.7M and caught in or between 5.7M.



30 days

On average, an injured employee would take 30 days to return to work based on the claims with lost time

MISC. CAUSES

32.7 days

STRAIN OR INJURY BY LIFTING

35.1 days

CAUGHT IN OR BETWEEN

32.2 days

SLIPS AND FALLS

32.7 days

STRIKE AGAINST / STEP ON

25.3 days

CUT, PUNCTURE OR SCRAPE

18.3 days

STRUCK OR INJURED

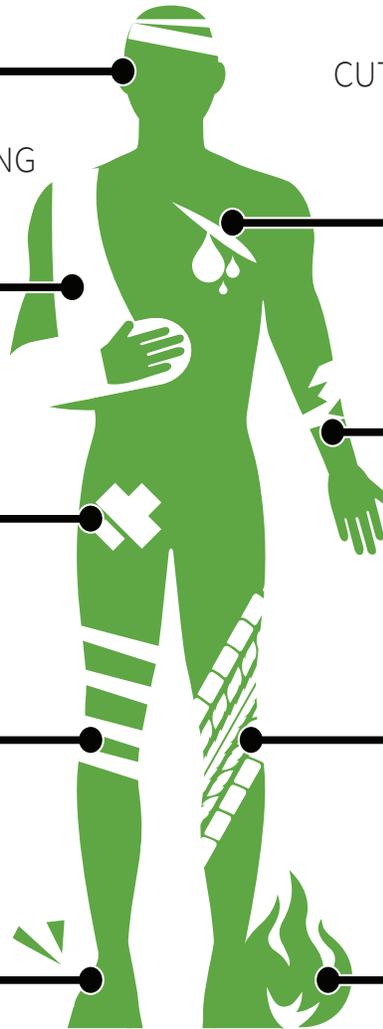
29.4 days

MOTOR VEHICLE

47.4 days

BURN OR SCALD

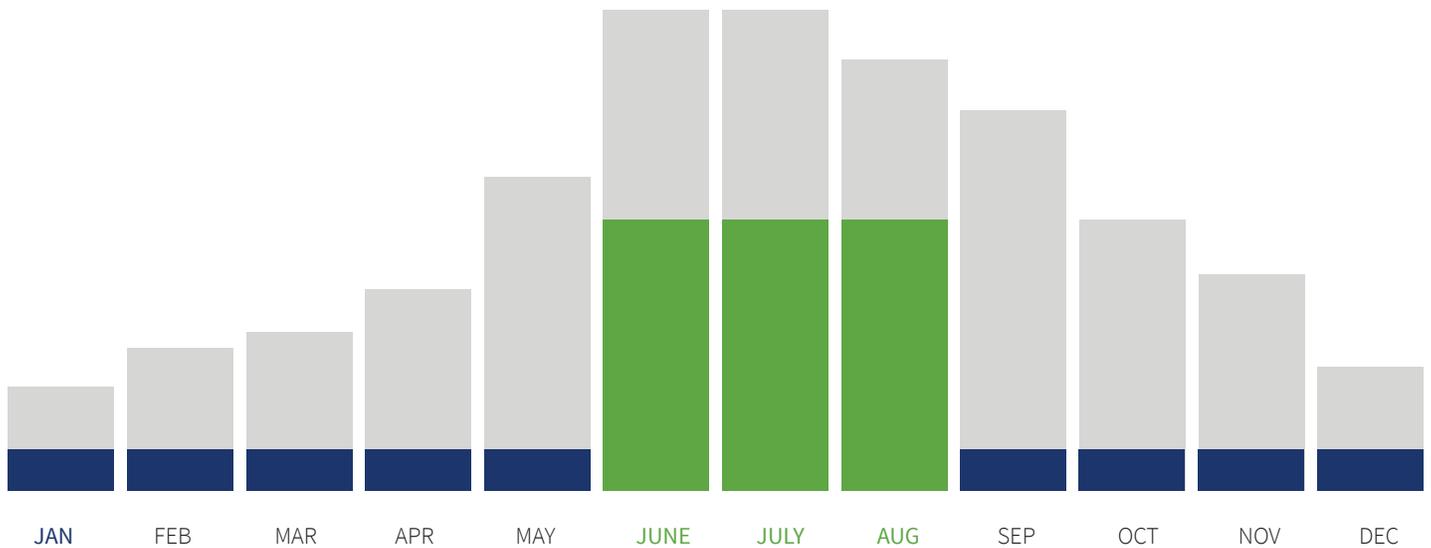
17.5 days



“Cuts, scrapes and punctures are going to happen when preparing food – but there are strategies to reduce the severity of these injuries.”

Matt Zender
SVP – Workers’ Compensation Strategy
AmTrust Financial

Summertime Risks Heat Up



Footwear

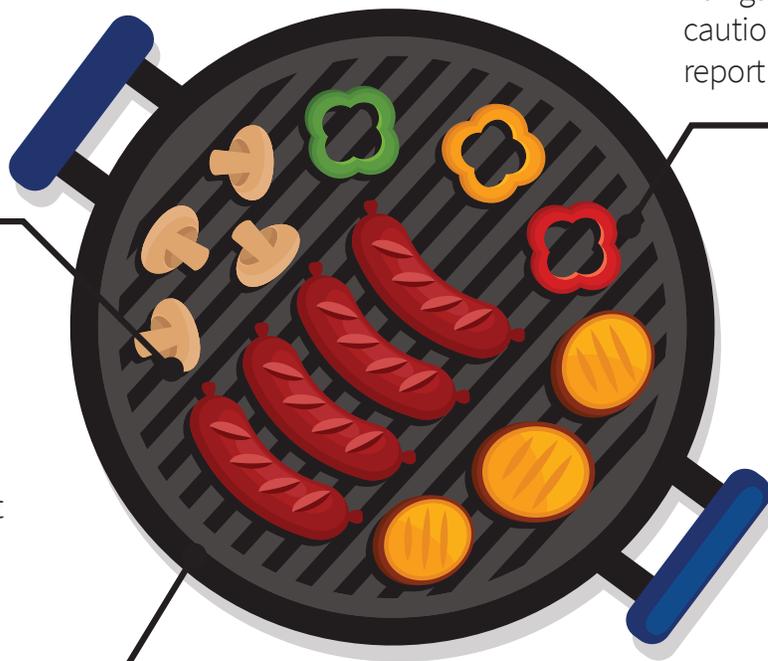
Sturdy shoes with good tread that channels liquid out from under shoe are a must – avoid porous fabrics

Awareness

Pay attention to surroundings, and move carefully without running. When carrying and navigating corners, exercise caution. Encourage staff to report any problem areas

Housekeeping

Be careful to avoid spills, but clean up immediately when they happen. Use caution signs for wet floors, clean mops and approved floor cleaners. Spot mop during rush periods





Injuries to wrists/hands caused the most lost time – averaging **265 lost days of work**

Average Lost Time by Body Part

(for two highest categories causing injuries)

SLIPS AND FALLS



Lower Back
22.8 days



Upper Leg
27.0 days



Fingers
31.0 days



Lower Leg
46.0 days



Knee
53.1 days



Foot
62.0 days



Misc. Body Parts
113.4 days

STRAIN OR INJURY BY HOLDING OR CARRYING



Multiple Trunk
25.7 days



Lower Back
29.5 days



Wrist
65.0 days



Abdomen
118.4 days



Hand
156.0 days



Elbow
185.5 days



Wrist(s) and Hand(s)
265.0 days

Reducing the Top 2 On Premise Causes of Injury:

Slips and Falls / Strain or Injury By

AmTrust's study of five years of workers' compensation claims data found that the second highest cause of injury categories for restaurant workers on premises were slips and falls and strain or injury by – holding or carrying. Employees who injured multiple body parts in a fall or who strained their wrists or hands while carrying were most likely to miss the most time.

Top Risks

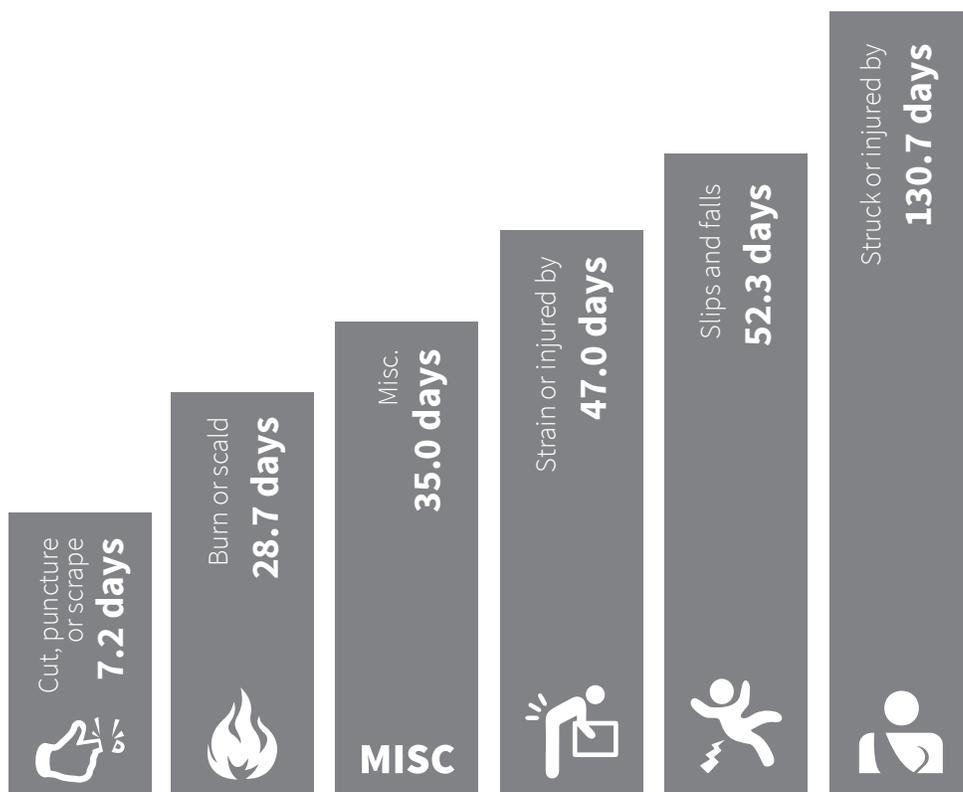
- Spills on floors
- Outdoor slipping hazards, including ice and snow tracked indoors
- Loose mats or rugs
- Poor visibility caused by product obstruction or poor lighting
- Ice build-up and condensation on floors of walk-in freezers and coolers
- Walking surface disrepair, including uneven floor heights, clutter, cords, or other obstacles



45%
more time lost

Cafés/coffee shops yield the highest lost time by **45% compared** to all other restaurant types

Loss Time by Injury Type



Why Coffee Shops Yield the Highest Lost Time

Coffee shops equal lost time. Your friendly barista at your local java shop may know your order by heart, but did you know that working at a coffee shop yields the highest lost time – 45% – compared to all other restaurant types?

What makes coffee shops lost time higher than other restaurant types? It's easy to jump to burns or scalds, given the constant use of espresso machines, but that's not what the data shows.

Wrist injuries are actually the biggest risk for coffee shop workers, with an average of 366 days to return to work.

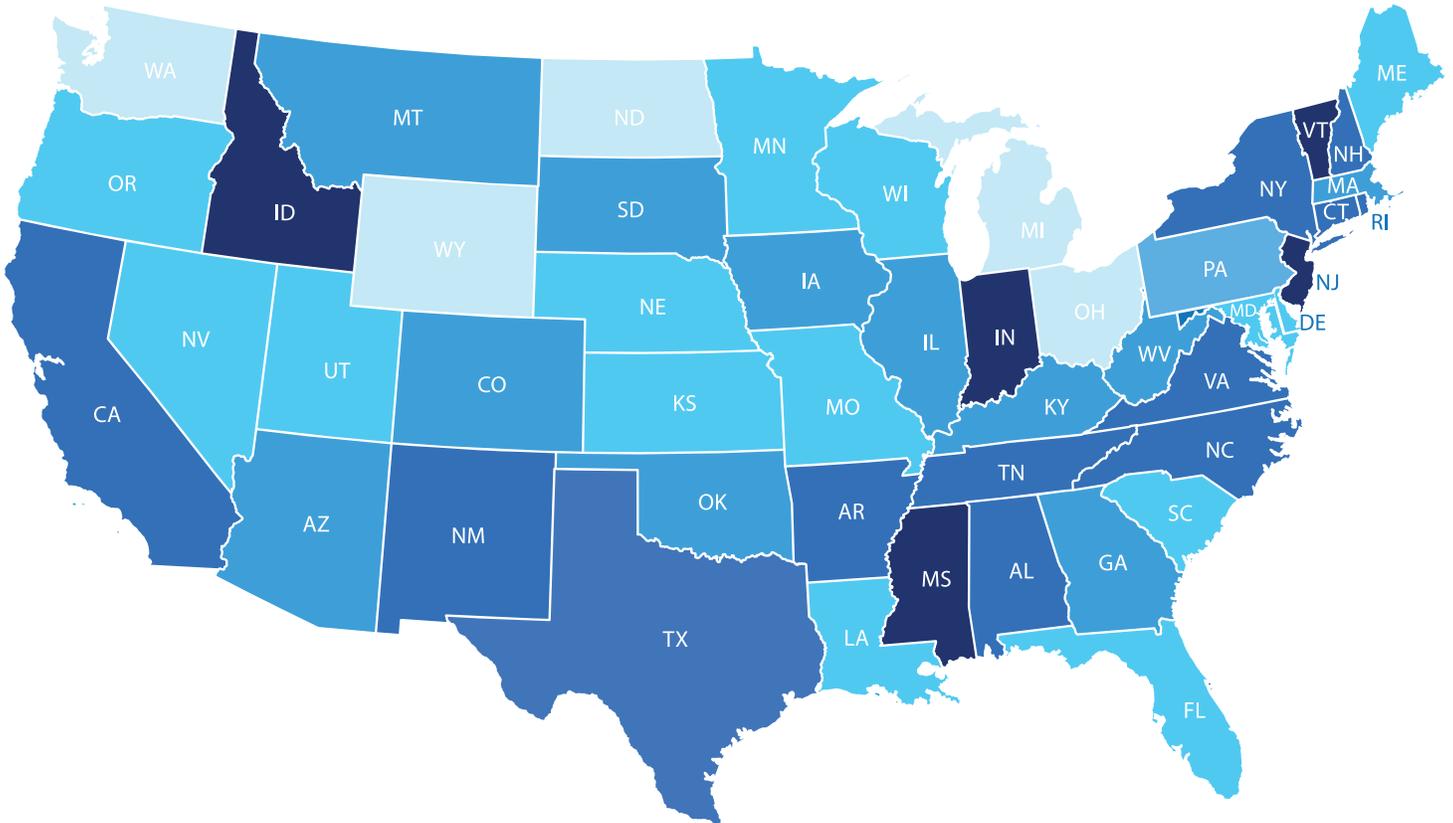
Creating a Safer Coffee Culture

Barista Wrists

Providing a café free from ergonomic hazards can not only lower repetitive motion injuries, but it also can increase productivity by making jobs easier and more comfortable for workers. Automatic tampers or alternatively-designed tampers (such as a flat, handle-less design) are available for baristas and can reduce muscle soreness, wrist strain and fatigue caused by awkward hand positions as they exert force through their wrists, forearms, elbows and back. Here are some other principles of ergonomics that can reduce absences and turnover due to injury and lower your business costs as your workers' compensation history improves:

- Work in a neutral posture
- Reduce excessive force
- Keep everything within easy reach
- Work at proper counter height
- Reduce excessive motions
- Minimize pressure points
- Move, exercise and stretch
- Maintain an all-around comfortable environment

Average time lost due to restaurant injuries varies from fewer than 4 days to nearly 2 months



Lost Time Average Lost Time (Sum) Number of Days



“To reduce claims and keep employees safer, we need to provide restaurant operators with tools to help prevent and minimize the impact of injuries.”

Jeff Corder
VP, Loss Control
AmTrust Financial

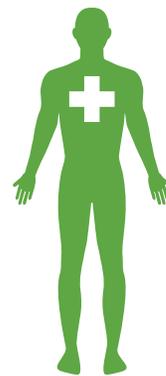


On policies underwritten by AmTrust, our 10-year loss ratio has greatly outperformed the industry

A review of industry data over the past ten years shows that the loss ratio for workers' compensation claims for restaurant codes 9082, 9083 and 9084 have moved in a downward direction. On average, AmTrust's loss ratio ran 12.4%–15.6% percent lower than the industry average.

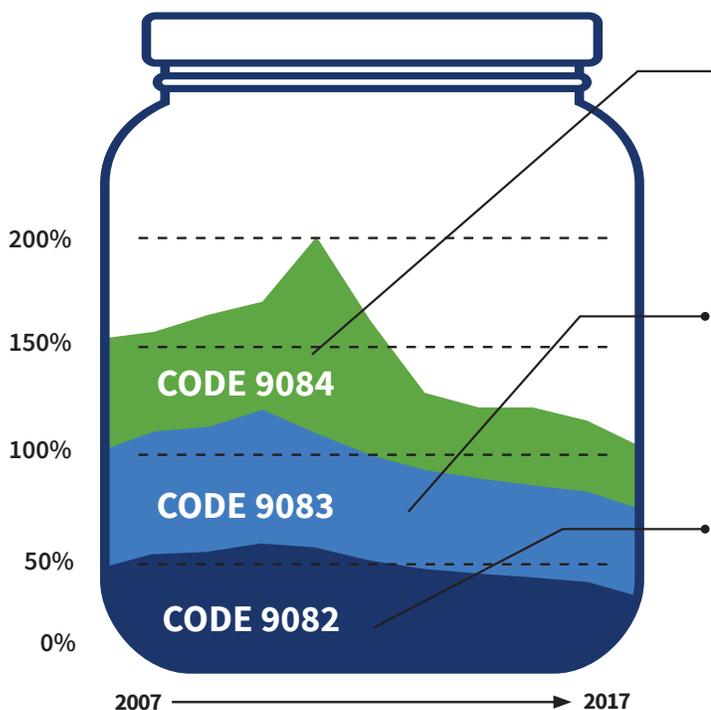
What can restaurant owners do to mitigate risks? Business owners need to assess any potential risks, and work with employees on educating them about safe practices. Working with a health and safety expert, such as our Loss Control Team, can help you identify and work to prevent these risks. A few quick best practices to get started with:

- Make cut gloves available for any staff member handling knives
- Ensure slip-resistant mats with beveled edges are placed in wet areas
- Provide lifting aids, such as carts, for employees when possible
- Stock a first-aid kit that staff can easily access
- Train employees to ensure that emergency exit paths are clear at all times



Industry Loss Ratio Trending Down in the last **10 YEARS**

Industry Loss Ratio



AmTrust loss ratio average was **18.7% LOWER**

FOR CLASS CODE 9084
BAR, DISCOTHEQUE, LOUNGE, NIGHTCLUB, OR TAVERN

AmTrust loss ratio average was **12.4% LOWER**

FOR CLASS CODE 9083
RESTAURANT: FASTFOOD

AmTrust loss ratio average was **12.5% LOWER**

FOR CLASS CODE 9082
RESTAURANT: NOC/CATERER



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