

# Understanding Food Business Licenses, Insurance, And Certifications

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# About Us



# Overview

In this webinar we will discuss food business licenses, insurances and certifications.

We are joined by Marc Lehmuller of RBL Associates in NYC. He is licensed to write insurance policies in all states. He will provide great insight into the world of insurance and licenses.

We will also discuss business formation, business startup best practices, and unique resources that are available to your business.



# Insurance Terms

**Deductible:** A deductible is a portion of a loss that is borne by the policyholder.

Additionally Insured: is **a third party – either a person or a business entity – that has a liability exposure in a business relationship.** To reduce that risk, it asks the other party to name it as an additional insured on an insurance policy

**COI:** certificate of insurance – Provides coverage to a Landlord or Business adding them onto the General Liability policy in the event of a claim as required by contract or written agreement

**Claim** – when you contact the insurance company and tell them there was an incident

**Audit**– a review of the business to determine the actual sales of all manufacturing policies for the policy period, depending on if your sales go up there would be additional premium for the increase or if there was a decrease in sales the credit would be issued to the insured or the credit would go to the balance of premium.

**Umbrella Insurance:** When you have a claim that exceeds the limits of your current policy General Liability, umbrella insurance can provide extra coverage to protect your business and assets from financial risk.

# Liability Insurance – General Liability

- **Commercial General Liability** – The most important and mandatory to get started
- Each Occurrence Limit: \$1,000,000
- Damage to Rented Places: \$50,000
- Med Expense (any one person) \$1,000
- Personal & Advertising Injury \$1,000,000
- General Aggregate Limit \$2,000,000
- Products/Completed Operation Aggregate Limit \$2,000,000
  
- Covers slip trip and fall, medical for customer and lawsuit for bad policy



# Additional Types of Insurance

## Business Owners Policy

### Property:

- Business Personal Property for a business would include everything from the smallest stapler or calculator to a company-owned car or large piece of machinery.
- Business Income /Extra Expense: **provides coverage when your business shuts down temporarily due to a fire or other covered loss.** It helps replace your income and covered expenses like rent, payroll and other financial responsibilities while your property is being repaired or replaced.

### Boiler and Machinery – Required for all clients that require their product to be refrigerated.

- Deductible per Claim: \$500 to \$1,000
- Covers equipment breakdown and loss from the breakdown

**Worker's comp** – workers, interns volunteers covers on the job based on payroll and minimum standards. Protects business and employers – state has limits. Proprietors, partners, members, executive officers but can be included. Customers (stores) may require \$1 million

**DBL – short term disability** – off the job injury for employees and based on gender

# More Additional Types of Insurance

**Umbrella Insurance:** When you have a claim that exceeds the limits of your current policy General Liability, umbrella insurance can provide extra coverage to protect your business and assets from financial risk.

**Directors and officers (D&O) liability insurance protects the personal assets of corporate directors and officers,** and their spouses, in the event they are personally sued by employees, vendors, competitors, investors, customers, or other parties, for actual or alleged wrongful acts in managing a company.

**Hired and non-owned auto insurance** (HNOA insurance) covers liability expenses for accidents involving vehicles that your business uses for work purposes but doesn't own. This includes vehicles that your business rents, as well as your employees' personal vehicles that are used for work errands

# How are insurance costs determined

All policies cost are derived by construction of facility, risk of the product and estimated sales or historic data from sales

Worker's comp is based on payroll hours





# Licenses

## Business Formation

LLC – Limited Liability Corporation – members own the company

C- Corp – Corporation – offer shares to owners

S- Corp - Corporation -

**EIN** – Employee Identification Number – from the IRS and is the primary identifying number for the government – like a social security number for a business

**Certificate of Authority** – From the state – allows business to collect sales tax

**Food manufacturing license** - From the state and the municipality –

**FDA registration** – Federal food manufacturing registration

**Filing the business in Delaware:** <https://www.delawareinc.com>

Provides many tax and business advantages

# Certifications

- Serve Safe – basic food sanitation certificate
- Better Process School Certificate
- HACCP Certification
- Kosher Certification
- Organic Certification
- Non GMO Verification Project Certification
- Many others...
- Vegan
- Gluten Free





# Summary & Recap

- Liability Insurance
- Business policies
- Workers Comp
- Business Formation
- Licenses
- Certifications

# Q&A

# Need Extra Help?





# THANK YOU

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