



Restaurants Facing Financial Hardships from COVID-19 Pandemic Gain Representation

KANSAS CITY, Mo. (Mar. 20, 2020) SA Legal Advisors LC and a national law firm have teamed up to represent Midwestern restaurants and other hospitality businesses in claims against insurers for damages resulting from COVID-19 closures.

Restaurants throughout the United States are being forced to close or to eliminate dine-in service. Restaurants that are closing will face significant hurdles in obtaining the necessary funds to reopen.

Restaurants that are eliminating dine-in service are finding that take-out and delivery options are making up less than 10% of lost sales, far less than what is required to maintain operations for any significant amount of time. While numerous restaurant aid packages have been implemented or proposed, the aid falls far short of what will be required to save the hospitality industry.

Insurance carriers are regularly denying COVID-19 claims, as experienced by several Kansas City-area restaurants who have attempted to do so. The financial circumstances started by the COVID-19 pandemic, combined with the subsequent denial of insurance claims filed by restaurants, is threatening the existence of the country's independent restaurant establishments. Despite maintaining both liability and business interruption insurance, insurers are regularly denying claims.

"Our intention of purchasing business insurance was for this exact scenario – to have a source of funding and recovery and mitigate this risk," said Bluestem and Rye Owner Colby Garrelts. "We want to have the opportunity to pay our bills, pay our employees and keep our doors open, but unfortunately we're not able to do that with our claims getting denied. It is devastating."

SA Legal, in partnership with a national law firm, will provide co-representation to advise many restaurants and other hospitality groups on these insurance claims. To date, Rye, BlueStem, Grand Street Café, Ignite Wood Fire Grill, Saints Pub + Patio, Sierra Grille, Trezo Mare and Tequila Harry's have agreed to engage the legal teams to represent and advise them on claims against insurance companies for damages resulting from COVID-19 closures.

Restaurants and other hospitality groups who are also experiencing hardships can learn more about this joint effort by contacting Scott Anderson at sanderson@salegaladvisors.com.