



## The Coffee Shop Crash

Maya had always desired to own her own café. After years of saving and planning, she opened *The Roasted Bean*, a cozy coffee shop tucked into a bustling corner of downtown. Envision a classic coffeehouse with long coworking tables, carefully curated art on the walls, and a menu full of organic brews. The local community loved it and she quickly had a group of daily regulars.

Business was steady, reviews were positive, and Maya felt like she was finally living her dream. Until one rainy afternoon everything changed.

## What Happened

A customer rushed in from the storm, slipped on the wet tile near the entrance, and fell hard.

The result? A fractured wrist.

Maya rushed to help and called for medical assistance. She assumed her general liability insurance would handle the situation.

But when the claim was filed, Maya discovered her policy had a high deductible, low coverage limits, and no medical payments coverage. Even worse, the customer's attorney alleged negligence due to lack of signage and demanded compensation for medical bills, lost wages, and pain and suffering.

## The Fallout

The incident triggered a cascade of problems:

- **Legal Fees:** Maya had to hire an attorney to defend the claim.
- **Settlement Costs:** The final payout exceeded her policy limits, leaving her responsible for a good portion of the remainder.
- **Reputation Damage:** Local news picked up the story, and foot traffic dropped over the next few weeks.
- **Operational Disruption:** She had to temporarily close to install non-slip flooring at the entrance and update safety protocols.

Her total out-of-pocket cost... **nearly \$40,000.**

## How She Recovered

Despite the blow to her business and her confidence, Maya didn't give up, she took action. She worked with an insurance advisor to upgrade her general liability policy, increasing limits and adding medical payments coverage. She added property coverage enhancements to protect against future incidents,



including water damage and equipment breakdown. Maya also implemented new risk management protocols such as wet floor signage, regular safety inspections, and staff training. She also launched a community outreach campaign to rebuild trust and bring customers back.

### Key Considerations for Small Business Owners

Maya's experience is a cautionary tale for any business owner and one that is, unfortunately, not difficult to find examples of.

Maya's café is thriving again, but she'll never forget the lessons she learned:

1. **Don't Skimp on Liability Coverage:** Low premiums often mean low protection. Know your limits and ensure they properly fit your business needs.
2. **Understand Your Deductibles:** High deductibles can be financially devastating in a claim and dilute the value of the insurance.
3. **Add Medical Payments Coverage:** It can help resolve minor injuries quickly and without litigation.
4. **Review Your Property Coverage:** Ensure it includes protection for equipment, fixtures, and improvements.
5. **Practice Risk Management:** Prevention is just as important as protection.

Ask yourself:

Do you have property and liability insurance in place for your business today? When was the last time you reviewed it?

If the answers to either of these questions bring uncertainty, time is of the essence. In Maya's case, her dream was almost shut down in a matter of moments.

\*Client names are fictitious for confidentiality purposes

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