

# Employment Practices Liability Insurance for the Hospitality Industry



## The Risk is Real

Many hotel owners and managers don't really understand what employment practices liability (EPL) is and the broad range of exposures it encompasses. Gender, race and age discrimination. Harassment of all sorts. Wrongful termination. Disability rights. Retaliation. The list goes on.

## The Consequences Can Be Catastrophic

Unfortunately, those who suffer the most are the very ones who can't afford the debilitating financial devastation that can result from even a single employment practices liability lawsuit.

### Consider these 2016 facts. The EEOC:

- Recovered more than \$482 million from employers
- Continues to list retaliation as its most frequently filed charge
- Saw a notable increase in charges related to gender discrimination, disability discrimination and equal pay
- Resolved 97,443 charges
- Will focus more of its efforts on discrimination, harassment, youth at work and ensuring equal pay in 2017

With the average cost of an EEOC lawsuit more than \$100,000, can your client afford to be without Employment Practices Liability Insurance?

Some lodging establishments may consider going without EPL coverage to save money. Others mistakenly assume they are covered under their general liability policies, which most often have a standard exclusion for employment practices liability exposures. Going without EPL insurance can be a costly decision. Even if you only have a few employees, you need EPL coverage.

## The Solution is Here

The risk for your establishment is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers. Our Employment Practices Liability Hospitality Program helps manage the risks and avoid the burdens of employment-related claims.

## Hospitality Program Eligibility

Monitor Liability's EPL insurance is available for a wide variety of hospitality establishments including hotels, motels, resorts and bed-and-breakfast inns. We insure small to midsize clients — those with five or more employees.

## Optional Coverage<sup>1,2</sup>

- Third party liability coverage for claims brought by customers for discrimination (including costs of defense for Americans with Disabilities Act (ADA) and public accommodation claims) and/or harassment
- \$100,000 costs of defense for claims alleging violation(s) of the Fair Labor Standards Act (FLSA)
- \$100,000 sublimit for franchisor if named in a claim along with the named insured (franchisee)
- \$25,000 costs of defense for criminal investigations brought by any government agency for alleged hiring or harboring of illegal aliens

<sup>1</sup>This coverage overview is not part of an insurance contract and does not supersede the policy. Please read the policy form for complete terms, conditions and exclusions. Premiums and terms depend on the size and type of organization and other factors.

<sup>2</sup>Subject to underwriter approval.

### Contact Us

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### Submissions

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## Claim Examples<sup>3</sup>

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### Age Discrimination

Due to the economic downturn, a hotel experienced financial difficulties and laid off six employees. One of the terminated employees, a male valet in his late forties, claimed that he was fired because of his age. The hotel stated that the valet was dismissed due to economic reasons, and the decision was based solely on performance issues. Defense costs totaled more than \$90,000. The case settled for \$115,000.

### Retaliation

An employee at a resort gift shop was terminated according to the resort's policy when she purchased a product at a discount using another employee's checkout. The case seemed straightforward until it was revealed that two weeks prior to her termination, the employee filed a sexual harassment complaint against the resort manager. The resort's human resources department reviewed the termination, and with management's approval, concluded it was safe and appropriate to follow the established termination policy. Each side was aggressive during the litigation process, and the case went to trial. The jury found the resort guilty of retaliation against the employee and awarded her over \$500,000 in punitive damages and attorneys' fees. The resort's defense costs were over \$200,000.

### Race Discrimination

A Native American employee sued a hotel, his nighttime shift managers and co-workers for creating a hostile work environment that included abusive jokes and comments about his race. The case escalated into a class action lawsuit against the hotel as other employees claimed similar race discrimination during mediation. Subsequently, discrepancies in the employees' pay were discovered. Even though the hotel agreed to resolve the case quickly, defense costs totaled more than \$60,000. The case settled for \$400,000.

<sup>3</sup>Claim scenarios are for informational purposes only, do not constitute legal advice and are not a confirmation or acceptance of coverage under any policy.

## About Monitor Liability Managers

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Monitor is a member company of W. R. Berkley Corporation specializing in executive and professional liability insurance.

We have provided insurance to middle market risks on a nationwide basis since 1992. Experienced leadership, comprehensive insurance knowledge and a well-established reputation for solid underwriting standards allow us to provide coverage unsurpassed in the marketplace.

### A+ Rated Insurance Carriers

Admiral Insurance Company (Nonadmitted)  
Berkley Insurance Company (Admitted)  
Carolina Casualty Insurance Company (Admitted)

- Rated A+ (Superior) by A.M. Best Company

## MyHRHelp Risk Management Services

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From the day the policy premium is paid, Monitor policyholders receive complimentary access to:

- Toll-free helpline calls that provide basic workplace issue consultation
- MyHRHelp™ website with employment resources
- Free monthly risk management webinars and an archived webinar library
- Two free California AB 1825 compliant online sexual harassment awareness trainings annually

All services are provided by Gordon Rees Scully Mansukhani LLP, a national law firm with extensive experience in employment law.

## Claim Management

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Monitor's claim management services are the cornerstone of the insurance coverage we offer to our policyholders. We strive to resolve claims promptly and to provide the best possible outcome for our policyholders and their agent or broker.