

Employment Practices Liability Insurance for Restaurants



The Risk is Real

Many restaurant 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 restaurants 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 restaurant is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers. Our Employment Practices Liability Restaurant Program helps manage the risks and avoid the burdens of employment-related claims.

Restaurant Program Eligibility

Monitor Liability's EPL insurance is available for a wide variety of restaurants including full-service and fast food restaurants, cafeterias, food service contractors and vendors. We insure small to midsize clients — those with five or more employees.

Optional Coverage^{1,2}

- 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

¹This 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.

²Subject to underwriter approval.

Contact Us

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Submissions

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Claim Examples³

Sexual Harassment

A cashier at a local fast food restaurant claimed her manager sexually assaulted her. The restaurant owners admitted that the assault occurred, but denied that they knew or could have known of the manager's propensity to assault employees. The restaurant owners claimed that the incident occurred after hours, so the restaurant should not be involved. Defense costs exceeded \$90,000. The case settled for \$220,000.

Wage and Hour

A chef worked catered events for a restaurant chain. She brought suit against her employer for failing to pay wages at the overtime rate. The chef alleged that she regularly worked in excess of 40 hours per week due to her work at summer festivals. The restaurant alleged that it was not a covered enterprise according to the Fair Labor Standards Act (FLSA) nor was the chef individually covered. Sloppy record-keeping by the restaurant hindered full disclosure of the revenue generated by the summer festivals. The case could not be resolved by negotiations or summary judgment. The restaurant incurred \$75,000 in legal fees and the case eventually settled for \$55,000.

Retaliation

An event planner filed a complaint against her former employer, a well-known restaurant. She alleged that she was subject to sexual harassment by her direct supervisor because of her pregnancy. Shortly after, she was terminated. She then sued the restaurant and claimed that her termination was in retaliation for complaining of unlawful pregnancy discrimination. The case settled for \$75,000.

Sexual Harassment

A fast food restaurant chain paid \$225,000 to settle a sexual harassment claim by a male cashier who alleged that his female supervisor groped him and made unwanted sexual advances towards him. He complained to other managers, but no action was immediately taken. Defense costs exceeded \$50,000.

Claim Management

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.

³Claim 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

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

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.

Products and services are provided by one or more insurance company subsidiaries of W. R. Berkley Corporation. Not all products and services are available in every jurisdiction, and the precise coverage afforded by any insurer is subject to the actual terms and conditions of the policies as issued. Certain coverages may be provided through surplus lines insurance company subsidiaries of W. R. Berkley Corporation through licensed surplus lines brokers. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. For additional information concerning W.R. Berkley Corporation's insurance subsidiaries, refer to <https://www.wrberkley.com/siteservices/legal.aspx>