

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 issues it encompasses. Gender, race and age discrimination. Harassment of all sorts. Wrongful termination. Disability rights. Retaliation for workers' compensation claims. 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 the facts:

- ▶ The Equal Employment Opportunity Commission (EEOC) recorded over 95,000 charges in 2008
- ▶ Private businesses with 100 or less employees are the most often sued for federal discrimination claims
- ▶ The average cost of an EEOC lawsuit in 2008 exceeded \$279,000

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, LLC. Our Employment Practices Liability Restaurant Program can help you manage the risks and avoid the burdens of employment-related claims.

Restaurant Program Eligibility

Monitor's EPL insurance coverage 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.

EPL Policy Enhancements for Restaurants

- ▶ 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
- ▶ Unlimited access to a toll-free Employment Practices Liability Helpline that provides expert EPL advice
- ▶ \$100,000 costs of defense for claims alleging violation(s) of the Fair Labor Standards Act
- ▶ Optional \$100,000 sublimit for franchisor if named in a claim along with the named insured (franchisee)
- ▶ Modified settlement clause (80%/20% coinsurance) and a 10% reduction in the deductible upon consent to settle
- ▶ Optional \$25,000 costs of defense for criminal investigations brought by any government agency for alleged hiring or harboring of illegal aliens
- ▶ 7.5% premium renewal credit for FRLA members in good standing with no claims

Contact Us Today!

For a quote or more information about Monitor's Employment Practices Liability Restaurant Program for FRLA members, please contact:

A member of the **FRLA Insurance Council** at www.frla.org/insurance, or **Brad Feller** of Monitor Liability Managers, LLC at **(800) 446-2100**.



**FLORIDA
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FRLA
Insurance Council

Employment Practices Liability Insurance for Restaurants

Here are just a few examples of the havoc a single lawsuit can wreak on a restaurant.

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.

The Monitor Difference

Monitor Liability Managers, LLC is an underwriting management company specializing in professional liability insurance. We have the experience, proven track record, financial strength and products to provide our clients with first-rate protection.

All insurance products are not created equal. The true value of an insurance product comes from the people and the company backing it.

Strength and Stability

As a member company of the W. R. Berkley Corporation and with full underwriting and claims settlement authority for all of its insurance products, Monitor provides insureds with access to the resources of a large corporation combined with the outstanding customer service of a smaller company.

Monitor underwrites professional liability insurance on behalf of W. R. Berkley Corporation member companies. A Fortune 500 company, Berkley has annualized revenues of \$4.7 billion, total assets of \$16.1 billion and stockholders' equity of \$3 billion. Monitor issues policies through two of the industry's most respected and trusted insurers, Admiral Insurance Company, rated "A+" (Superior) by A.M. Best Company, and Carolina Casualty Insurance Company, rated "A+" (Superior) by A.M. Best Company. Both are W. R. Berkley Corporation member companies.