

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 the facts:

- ▶ The Equal Employment Opportunity Commission (EEOC) recorded nearly 100,000 charges in 2010 — a record high and a 7% increase from 2009
- ▶ The EEOC reported significant increases in Americans with Disabilities Act (ADA) and Genetic Information Nondiscrimination Act (GINA) charges
- ▶ For the first time ever, retaliation charges were the most frequently filed charge in 2010 with charges increasing 68% between 2000 and 2010
- ▶ The average cost of an EEOC lawsuit in 2010 exceeded \$270,000

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 helps manage the risks and avoid the burdens of employment-related claims.



Monitor Liability Managers, LLC is the only Restaurant Association of Maryland (RAM) endorsed provider of Employment Practices Liability Insurance.

RAM Restaurant Program

EPL insurance coverage is available for a wide variety of restaurant industry clients 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 RAM Members¹

- ▶ \$100,000 sublimit for defamation, libel and invasion of privacy against a third party resulting from the use of social media; workplace bullying and social media defined; expanded definition of wrongful act to include workplace bullying
- ▶ 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
- ▶ 7.5% premium renewal credit for RAM members in good standing with no claims
- ▶ Optional \$25,000 costs of defense for criminal investigations brought by any government agency for alleged hiring or harboring of illegal aliens
- ▶ Optional \$100,000 sublimit for franchisor if named in a claim along with the named insured (franchisee)
- ▶ Valuable risk management services offered (see reverse side)

Contact Us!

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

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Claims Examples

Sexual Harassment

A restaurant franchise paid \$400,000 to settle a sexual harassment claim by seven teenage workers who alleged the manager groped them, made vulgar comments and made demands for sex. Several girls complained to the assistant manager and the general manager, but remedial action was not taken immediately.

Gender Discrimination

A national restaurant chain paid \$360,000 to settle a gender discrimination lawsuit brought by men alleging that they were denied more lucrative server positions because of their gender. The restaurant was accused of hiring only women as servers.

Fair Labor Standards Act

A local restaurant chain was named in a class action lawsuit. It alleged that the restaurant's employee delivery drivers were required to use their own vehicles for deliveries and the driver expense reimbursement rate was substantially less than the actual cost of operating and maintaining their vehicles. The lawsuit also alleged a failure and refusal to pay minimum wages, a failure to fully indemnify all necessary expenses and costs incurred as a result of the performance of their duties as delivery drivers and a failure to allow meal and rest breaks. Total defense costs paid were more than \$50,000.

Retaliation for Health Department Complaint

A server is given a "last chance" warning about coming to work late. The disgruntled employee immediately makes a complaint to the health department about alleged unsanitary food-handling practices. Then, upon being terminated for coming in late again, he alleges he was fired in retaliation for making the complaint to the health department. This is a classic set-up by an employee who knows he or she is about to be disciplined or terminated for poor work performance.

About Monitor Liability Managers, LLC

For nearly two decades, Monitor has provided comprehensive executive and professional liability insurance at competitive prices. Our consistency of leadership, outstanding customer service and industry expertise enable us to provide insurance products unsurpassed in the marketplace.

Monitor is a member company of the W. R. Berkley Corporation with full underwriting and claims settlement authority for its insurance products.

A+ Rated Insurance Carriers

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

- A.M. Best Company rated: A+ (Superior)

Risk Management Services

Monitor provides a suite of risk management services to its insureds at no cost. These services are offered by Gordon & Rees, LLP and give our insureds access to:

- Unlimited calls to a toll-free, confidential human resources helpline that provides expert advice about employment-related workplace concerns
 - (877) 503-4595
- A risk management Web site, MyHRHelp, that provides resources covering all areas of workplace law and includes templates of employment applications, policies, procedures and an employee handbook
 - www.myhrhelpweb.com
- A subscription to the newsletter, *Employment Law Updates*, that highlights important workplace law news and trends

Claims Expertise

With more than 100 years of combined experience, Monitor's claim professionals and attorneys respond to and manage claims effectively. Our experts handle a wide range of claims that occur with the most sophisticated risks in the market.

*This coverage overview is not a part of an insurance contract and does not supersede the policy. Please read the policy form for complete terms, conditions and exclusions.