

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. The list goes on.

The number of employment-related lawsuits brought against restaurants continues to increase.

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

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. 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.

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.

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 Members

- ▶ 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)
- ▶ Unlimited access to a toll-free Employment Practices Liability Helpline that provides expert EPL advice

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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Here are just a few examples of the damage a single lawsuit can cause a restaurant.

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.

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.