

As if restaurant owners don't have enough to worry about, now comes a brand new risk exposure; discrimination against your customers. And to make matters worse, this exposure is excluded by your standard restaurant businessowners insurance policy. But there is a way to handle this risk and a few others at the same time.

Let's start with a few cases. Recently a Korean immigrant sued a Hooters restaurant in Queens for racial discrimination. This was after he found the slur "Chinx" handwritten on his receipt for a takeout order. The hostess who admitted writing the slur on the receipt has been fired but the suit goes on. Named in the suit are Hooters of America, the owners of the Queens franchise and two workers. Now we both know that the workers are not the deep pockets here so it will come down to Hooters of America and the franchise owners. My guess is these franchise owners probably had never given a minute's thought to worrying about being sued for discrimination against clients so they probably had no clue about how to insure for it either.

In another case in Georgia, a church bus from a predominately African American church pulled into a Waffle House parking lot hoping to get everyone fed before getting back on the road. The Waffle House was not large enough to accommodate them all at once and this angered the bus riders who later sued that Waffle House for racial discrimination. While the facts of this case and the final outcome of the suit are not completely clear to me, it is clear that the exposure is out there just waiting for an opportunity to bite a restaurant owner in the rear end.

As I mentioned earlier, this kind of risk exposure is not covered by your restaurant insurance package policy. But there is a way to insure your restaurant against this risk. What I am talking about here is an Employment Practices Liability Insurance policy, often referred to as EPLI. Not every EPLI policy will offer coverage for discrimination against clients but some do. Most restaurant owners typically purchase EPLI to protect against a lawsuit brought about as a result of some kind of discrimination in their employment practices. But there are a few EPLI policies that also include coverage for discrimination against clients. For those of you running your restaurants with no EPLI at all, this is just one more reason to seriously consider adding this coverage to your quiver of insurance policies.

Here at Clinard Insurance Group we insure hundreds of restaurants all across North Carolina, South Carolina, Georgia, Tennessee and Virginia. We advise all of our commercial insurance clients who have employees to purchase an EPLI policy. Restaurants are particularly vulnerable if left without this protection. If your agent hasn't offered EPLI to you as a protection option, then you should seriously consider firing him and looking for a new agent. If you would

## **Restaurants Beware – Are You Discriminating Against Your Customers?**

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