

For those of you who follow my blogs, you will know my feelings on Employment Practices Liability Insurance, often called EPLI for short. I feel that if you have any employees at all, then you need to consider buying an EPLI insurance policy for your restaurant. The risks are just too high to ignore.

One of the reasons that many restaurants don't yet consider this a necessary part of their restaurant insurance program is that they just have not heard enough about cases where restaurant owners actually lost money as a result of this kind of claim. The problem of course is that most of these lawsuits are settled out of court and with gag orders attached so no one can really talk about what happened or how much was paid to settle the claim. This leaves other, unsuspecting restaurant owners in the dark about the realities of our current legal climate and just how vulnerable they really are. So I thought it might be helpful to discuss a real world case that is in the news right now, just to give you some idea of what is going on out there in the EPLI world.

The Pittsburgh Post Gazette reported on this story on January 12, 2012. Two former employees of a Panera Bread franchisee filed a lawsuit accusing them of discriminating against fat, black or ugly people. The subject of the lawsuit, 21 year old Guy Vines claims that the Panera Bread franchisee, Covelli Enterprises discouraged managers from hiring African-Americans, and relegated those that were hired to menial roles out of the public view. The complaints indicated that these practices came all the way from the top of the Covelli Enterprises organization. Since this organization runs 200 restaurants in 5 states, there is now talk of turning this claim into a class action suit.

Now of course none of us have the inside track on what really happened here and the case has yet to go to trial so the answers about the outcome remain unanswered. But the trend is clear. Employees are learning that they don't have to just shut up and take orders from above, and in some cases, they are learning that simply making up a story about what happened can give them enough power with a hungry lawyer to get a generous settlement from you. The trend toward suing your employer for employment practices is a growing one and the threat that it creates for restaurant owners is alarming. Where will you get the funds needed to defend yourself or even to pay out a settlement in one of these claims. While you might think that you are doing everything right, those facts may not be important if you are set up by a wily employee who knows how to game the system. And let's not forget that with employment practices liability, you can be held liable for the words and actions one of your employees or managers has with another employee. How can you control all of that?

The safest plan of action is for you to purchase an EPLI policy to protect your restaurant. Some EPLI insurance companies even offer a protective human resources program that allows you to stay ahead of these risks. This is generally done at no extra cost to you because, let's face it, if the insurance company can prevent these types of claims from happening, then they will make more money. So if you purchase your EPLI from the right company, you may even be able to outsource a good deal of your HR functionality at no additional cost to you.

Employment practices liability is just another example of why restaurant owners need to be very careful in selecting their insurance agent. If your agent has never suggested this protection to you, that would be a big red flag that perhaps your agent doesn't have the experience and understanding of restaurant insurance that you need on your team. At Clinard Insurance Group, located in lovely Winston Salem, NC, we insure more than 100 restaurants all across North and South Carolina. We would love to put our experience and understanding as well as our volume supported rates to work on your behalf, to save you money and help you get the protection that you are looking for in your restaurant insurance. Please call us today, toll free, at 877-687-7557 or visit us on the web at [www.TheRestaurantInsuranceStore.com](http://www.TheRestaurantInsuranceStore.com).