

Employment Practices Liability Insurance, called EPLI is a relatively new type of insurance coverage that is not well understood by many restaurant owners. If you haven't been buying a particular insurance policy in the past, then it may be hard for you to imagine adding another insurance policy to your list of expenses. But this one is pretty important and the risks are growing each year. The large EPLI claims that are common on the west coast and in the northeastern U.S., are starting to show up as much more common now in the typically less litigious states like North Carolina, Georgia, Tennessee and South Carolina.

EPLI is designed to protect the employer from lawsuits brought by employees for grievances ranging from discrimination in the workplace or during the hiring or firing process to harassment issues, either those stemming from the employer or from a manager or even from a fellow employee. The numbers of these lawsuits are growing year by year as are the sizes of the judgments against the employers. Still, many restaurants don't purchase EPLI protection either because they don't know about it or because they don't truly understand the risks that they face by going bare.

[In last week's blog](#) I discussed a new reason that restaurant employers should consider buying this insurance policy. That is that some of these policies can provide protection for claims of discrimination against the restaurant that are filed by customers. This week I want to point out yet another good reason to seriously consider adding an EPLI policy to your insurance quiver.

Some EPLI policies include a powerful loss control component. They provide this in the form of a human relations advisory service at the other end of a toll free number. Imagine being able to phone the insurance company to speak to a human relations expert who can take as much time as you need to answer your questions and give you advice about safe hiring practices, how to prepare for dismissal of an employee and how to set up systems in your restaurant that help protect you from third party claims caused by your managers or other employees. These insurance companies know that a majority of EPLI claims happen because the restaurant owner is not clear on what should and shouldn't be done with hiring and firing procedures as well as day to day management in order to avoid an employment practices liability claim. Folks this is like have an HR department in your pocket for no extra charge on your EPLI policy. These EPLI underwriters recognize that often one of the most costly features of an employment practices liability claim is the legal costs and the costs in time to the restaurant owner. Avoiding these types of claims in the first place is well worth the price of admission. The fact that the policies also provide a coverage limit to pay the claim if all else fails is really just icing on the cake.

With all that you have to do day to day to keep your restaurant running smoothly, you probably don't have time to become a human relations legal expert at the same time. But, if you purchase the correct EPLI policy, then you can access the expert help that the insurance company will provide to you to help prevent a claim from happening in the first place. With the insurance company now on the hook for paying out claims and legal costs, you have them working harder than even you might work to try and prevent any claims from happening in the first place. And preventing a claim is far easier than fighting one.

Clinard Insurance Group insures hundreds of restaurants all across North Carolina, South Carolina, Georgia, Tennessee and Virginia. We feel strongly that every business that has employees needs to purchase employment practices liability insurance. If you would like help with your employment practices liability insurance, or with your restaurant insurance, please call us, toll free, at 877-687-7557 or visit us on the web at www.TheRestaurantInsuranceStore.com

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