

SEPTEMBER 2026

Employment Practices Liability: The Lawsuit You Never Saw Coming

Your Next Major Lawsuit May Come From Inside the Building

Holiday hiring season is right around the corner. For most restaurants and bars, fall means new faces, seasonal staff, and the full spectrum of HR challenges that come with managing a diverse, high-turnover workforce. Employment practices liability claims — harassment, wrongful termination, wage disputes — are skyrocketing in the food service industry. As a GKCRA member and commercial insurance specialist, I'm here to make sure you understand this exposure before it becomes a claim.

■ What EPLI Covers

Employment practices liability insurance (EPLI) protects your business against claims brought by employees, former employees, and job applicants. This includes allegations of sexual harassment, discrimination (race, gender, age, disability), wrongful termination, hostile work environment, failure to promote, and wage and hour violations. Standard GL policies do not cover any of these claims.

■ Why Restaurants Are High-Risk

The food service industry has some of the highest rates of EPLI claims of any sector. The reasons: high staff turnover, close working quarters, late-night hours, power dynamics between managers and young staff, and frequent tip disputes. Restaurants with 5 or more employees are statistical certainties for at least one EPLI claim over a 10-year period.

■ Defense Costs Alone Can Devastate

Even a frivolous claim — one you win — can cost \$30,000-\$75,000 in legal defense. EPLI covers defense costs in addition to settlements and judgments, and the defense begins the moment a complaint is filed, not after it's proven.

■ JAY STOETZER

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■ THIS MONTH'S FOCUS

Employment Practices Liability (EPLI)

*"The strength of the team is each individual member.
The strength of each member is the team." — Phil Jackson*

■ DID YOU KNOW?

- Wage and hour claims (unpaid overtime, tip pool disputes) are the fastest-growing category of EPLI claims in Missouri restaurants.
- Your EPLI carrier often provides HR hotline access — a resource most small business owners don't take advantage of.
- EPLI premiums for a single-location restaurant typically run \$800-\$2,500/year — a small price compared to the average settlement.

■ CLIENT WIN SPOTLIGHT

A bar owner in Westport faced a harassment claim from a former server. They had no EPLI coverage. Defense costs alone reached \$42,000 before a settlement. I placed an EPLI policy for a similar account for \$1,100/year — and included HR hotline access that helped them update their employee handbook before a second issue arose.

— Jay Stoetzer

PRO TIP FROM JAY:

Before holiday staffing ramps up, review your employee handbook. Does it include a harassment policy, tip policy, and termination procedure? If not, ask me for a referral to an HR resource — or access through your EPLI carrier.

■ Summer Watermelon Mint Agua Fresca

Ingredients:

- 6 cups seedless watermelon, cubed
- ½ cup fresh mint leaves
- 3 tbsp lime juice
- 2 tbsp agave syrup
- 4 cups cold water
- Pinch of salt

Instructions:

1. Blend watermelon, mint, lime juice, and agave until smooth.
2. Strain through fine mesh sieve.
3. Add cold water and salt; stir well.
4. Serve over ice; garnish with mint and lime wheel.

■ REFERRAL REWARD PROGRAM

Earn \$25 for every restaurant or bar owner you refer who gets a quote from me. No cap on referrals.

■ FREE POLICY GAP ANALYSIS

Send me any policy and I'll identify coverage gaps and potential savings — no charge, no obligation.

Call or Text: 816-384-7738

EPLI: Don't Hire Holiday Staff Without It

If you're adding seasonal employees this fall, get EPLI in place first. I can bind coverage quickly for most hospitality risks. GKCRA members get priority review.

★ **Call or Text Jay: 816-384-7738** | jay@insure247.com ★

FREE RESTAURANT & BAR SAFETY MANUAL + RISK MANAGEMENT GUIDE

As a value-added resource for my clients and GKCRA members, I provide a customized Restaurant & Bar Safety Manual and Risk Management Guide — at no charge. This comprehensive resource covers kitchen safety protocols, slip-and-fall prevention, alcohol service training requirements, employee onboarding checklists, and loss control best practices used by top hospitality carriers.

These manuals are a differentiator that can help reduce your premiums over time by demonstrating proactive risk management to carriers.

★ **Email or text to request your free copy: jay@insure247.com | 816-384-7738** ★

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