

Employment Practices Liability Insurance

by Matt Hughes, Moody Insurance

Your brewery is booming. You've just celebrated your 7th anniversary party. In addition to the party, you've announced that you're opening a second location and you're going to start packaging your beer for wholesale. Life is good.

Along with this second location comes a lot of new overhead: more equipment, more permits and licenses, and definitely more employees.

As your business has grown, how much time you put into building your culture and training your staff has become increasingly important. You may not be in charge of hiring every single employee anymore or handling issues that arise among your staff. That may fall to a trusted general manager or (yeah right) a human resources director.

If that person makes a mistake that leads a potential candidate to feel discriminated against, the possibility of a lawsuit is very real. Especially in an industry that is very young, white, and male.

Employment Practices Liability Insurance (EPLI) is a policy that provides protection against these types of claims. Whether the claim is one for sexual harassment/assault, unfair hiring practices, wrongful discipline or termination, this policy will respond to provide reimbursement for legal costs, judgements, and settlements.

EPLI coverage is sometimes provided at lower limits attached to a Business Owners Policy, but they are typically underwritten and sold separately as a stand-alone policy.

Lastly, I want to be clear about something. This policy is not meant to be the main protection against these claims. That responsibility falls to you as the business owner. Your primary protection is to cultivate a culture among your staff of inclusivity and accountability; one that ensures that every employee is empowered to be proactive, protective, and defensive with the full support of management and ownership when compromising situations arise.

If you love craft beer and have any kind of social media account, you've no doubt seen the extremely disturbing, albeit not completely surprising, revelations of bad behavior in the craft beer world. Most of these claims have been made by some of the industry's top female workers—sexual assault, discrimination, and dismissiveness of their worth.

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(page 2)

The culture that you create at your brewery is a direct reflection of who you are as a person. If you allow people to be treated this way at your brewery, this policy will provide you with financial protection related to your liability for specific incidents. It will not, however, protect you from the backlash that your actions will bring upon your business.



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