

WHY YOU NEED EMPLOYMENT PRACTICES LIABILITY



Grocery Stores and Supermarkets

Services provided: food and household retail

Due to being an essential business, grocery stores require Employment Practices Liability Insurance (EPLI) to protect themselves from potential financial losses and reputational damage. Grocery stores and supermarkets are retail establishments that offer a variety of food and household items to consumers.

KEY EXPOSURES AND INSURANCE SOLUTIONS



High Turnover: High employee turnover in grocery stores and supermarkets can exacerbate the risk of employment-related disputes. Frequent changes in staff might lead to inconsistencies in management practices, potentially increasing the incidence of wrongful termination claims or other employment disputes.



Wage and Hour Disputes: Wage and hour disputes in this sector often stem from complexities in scheduling and classifying employees, especially in roles that may require overtime work. These disputes can arise from unpaid wages or errors in classification, highlighting the need for accurate timekeeping and payroll practices.




Discrimination Claims: The risk of discrimination claims in grocery stores and supermarkets can be linked to diverse customer and employee demographics. It's crucial for these businesses to implement fair and consistent hiring practices and maintain an inclusive workplace environment to minimize the risk of discrimination allegations.

CLAIM EXAMPLES

Sexual Harassment: A female checkout clerk alleged her manager repeatedly harassed her after evening shifts. Despite no direct witnesses, the manager had a documented history of inappropriate behavior. The case settled for approximately \$45,000, with \$26,000 in defense costs. The sexual harassment case involving the female checkout clerk at a grocery store highlights the complexities of handling harassment claims without direct witnesses and the financial impact of such claims, especially when there's a history of similar behavior from the accused.

Third-Party/Disability Discrimination: A customer was denied entry to a supermarket enforcing a local mask ordinance. The patron claimed a medical condition prevented them from wearing a mask but was still refused entry. The claimant filed a lawsuit alleging a violation of their rights under the Americans with Disabilities Act. The third-party disability discrimination lawsuit against the supermarket for enforcing a mask ordinance against a customer with a medical condition underscores the challenges businesses face in balancing public health mandates with disability accommodations.

FLSA Violation/Wage and Hour: A supermarket was ordered to pay over \$50,000 in restitution to 13 underage employees for willful violations of FLSA youth employment provisions. The minors were working excessive hours and performing hazardous tasks prohibited for workers under 18. The supermarket's FLSA violation involving underage employees working excessive hours and performing hazardous tasks emphasizes the importance of adhering to youth labor laws and the potential legal consequences of violations.



Disability Discrimination: A small grocery store chain faced a lawsuit for allegedly discriminating against a job applicant with multiple sclerosis. The EEOC investigation found the company treated the qualified applicant differently due to his disability. The applicant sought back pay, compensatory, and punitive damages. The grocery store chain's alleged discrimination against a job applicant with multiple sclerosis, resulting in an EEOC investigation, highlights the need for businesses to understand and practice fair hiring processes, especially when dealing with applicants with disabilities.



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