



Protecting your most valuable asset: Employees

As a dairy farmer, you can't do the work without your team. Following best practices for employment and making sure your coverages are sufficient for current risks are vital to maintaining a successful and viable operation.

While you may have general liability and workers' compensation coverages, there are several areas that are unique to dairies and other agricultural operations due to the high level of exposure. And when owners and employees both work and live on a farm property, the risk of employee-related issues rises substantially.

There are two exposures often overlooked that dairy owners should consider; employee discrimination and workplace violence.

"We're finding right now that most dairies are underinsured. The rise of inflation and increase in size of employee lawsuits and even workplace violence incidents are leaving many dairies extremely vulnerable. We get asked all the time, don't my general liability and workers' comp policies fully protect me? The answer is NO."

**— Daniel Golightly,
Marsh McLennan
Agency, Agribusiness
Practice**

Employee discrimination charges and lawsuits

Considering the heightened litigation targeted at U.S. dairy operations and employers in all industries, dairy owners are at increased risk of employment-related lawsuits.

According to workplace discrimination statistics, three out of five U.S. employees said that at some point they've either experienced or witnessed discrimination based on age, race, religion, or gender.

Over the last 20 years, employee lawsuits have increased by 400%. In its 2021 fiscal year, the U.S. Equal Employment Opportunity Commission reported 61,331 workplace discrimination charges filed with the agency, with \$485 million in payouts.

Employment practices liability insurance can help protect your farm from employment-related lawsuits, such as discrimination, retaliation, wrongful termination, harassment, failure to promote and offensive work environment. Some policies may also include risk management measures including templates for HR policies, training programs for owners and staff, and legal advice.

Workplace violence

Unfortunately, workplace violence has become an ever-present issue. Mental illness, substance abuse and other factors can contribute to hostile and violent incidents. Most states exclude workers' compensation injuries arising from drug and alcohol use or intentional injury or harm of employees, leaving employers extremely vulnerable if not properly covered.

According to the National Crime Victimization Survey, 1.5 million assaults occur in the workplace annually. Workplace violence statistics also show that 251 fatal work injuries happen due to violence.

A 2022 analysis by career information provider Zippia estimated that U.S. businesses lose an average of \$250–330 billion annually to violent incidents. The costs arise from lost work time and wages, reduced productivity and turnover, higher health care costs, workers' compensation and disability insurance premiums, and legal and security expenses.

Workplace violence and active shooter coverages may cover items, such as legal expenses from lawsuits resulting from a covered event, business interruption expenses, death benefits to survivors, and the costs of counseling, security and public relations experts. Policies may also provide resources for preventing and dealing with workplace violence.

With many dairy employees working and living on the farm, a rigorous insurance plan that includes employer protections is best suited for today's industry and cultural risks.



Contact an agribusiness specialist

Daniel Golightly

(208) 424-2910

Daniel.Golightly@MarshMMA.com

Taylor Vandecoevering

(503) 746-2862

Taylor.Vandecoevering@MarshMMA.com

400%

Increase in employee
lawsuits over the past 20
years.

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. d/b/a in California as Marsh & McLennan Insurance Agency LLC; CA Insurance Lic: 0H18131. Copyright © 2023 Marsh & McLennan Agency LLC. All rights reserved. MarshMMA.com