Risk Strategy Solutions

November 2026



COMMERCIAL

Risk Advisor

GLP-1 Drugs and Employment Practices Risks

Glucagon-like peptide-1 (GLP-1) receptor agonists, such as Wegovy and Zepbound, were initially developed to treat Type 2 diabetes, but their use has expanded to include weight loss and weight management. While much of the workplace discussion has focused on health plan coverage, employers should also consider the employment practices risks associated with these medications.

Accommodation Requests

Taking a GLP-1 drug does not automatically entitle an employee to protection under the Americans with Disabilities Act (ADA). However, the underlying condition being treated—such as diabetes or cardiovascular disease—may qualify as a disability. Medication side effects, including severe nausea or fatigue, may also warrant consideration if they substantially limit a major life activity.

Employees may request schedule changes, additional breaks or temporary leave related to their condition or treatment. Employers should evaluate these requests through their established accommodation process and apply legitimate, objective criteria consistently. They should not assume that GLP-1 use or visible weight loss affects an employee's health, abilities or performance.

Harassment and Discrimination Risks

Remarks about an employee's weight, appearance, health or medication use may contribute to harassment or discrimination claims, particularly if they are linked to an actual or perceived disability or become severe enough to create a hostile work environment. Some jurisdictions also prohibit discrimination based on weight, height or physical appearance.

Employers should guard against adverse decisions based on assumptions. For example, removing an employee from a client-facing role because a manager believes weight loss signals illness could lead to a perceived-disability claim. Employees who request accommodations or report discrimination or harassment are also generally protected from retaliation.

Medical Privacy Considerations

Keep information obtained through an accommodation request or other employment process confidential and store it separately from general personnel records. Employers should request only the information needed to understand the employee's limitations and evaluate possible accommodations. Limit access to those with a legitimate business need.

Risk Management Strategies

To reduce employment practices risks, organizations should:

- Train managers on disability-related issues and appropriate medical inquiries.
- Follow and document a consistent accommodation process.
- Keep medical information confidential, secure and separate from personnel records.
- Reinforce anti-harassment and anti-retaliation policies.
- Base employment decisions on objective, job-related information rather than assumptions.

Organizations should also review their employment practices liability insurance (EPLI) with an insurance professional to determine whether their policies adequately address accommodation, harassment, discrimination and retaliation claims. Policy terms and exclusions vary, making a careful coverage review essential.

Your Risk Transfer Resource

Contact the insurance professionals at Foundation Risk Partners for more information about managing employment practices risks related to GLP-1 use and securing appropriate EPLI coverage for your organization.

This document is not intended to be an exhaustive source of information nor should any discussion or opinions be construed as legal advice. Readers should consult legal counsel or a licensed insurance professional for appropriate advice. © 2026 Zywave, Inc. All rights reserved.

The Liability Risks of AI-driven Procurement

Businesses increasingly use artificial intelligence (AI) to support purchasing processes. Once limited to researching vendors and recommending purchases, AI-driven procurement tools may now select and source suppliers, manage or negotiate contracts, and approve invoice payments. These capabilities can improve efficiency, but greater autonomy can also create substantial contractual, financial and liability risks.

AI-related Procurement Exposures

The quality of AI decisions depends on the algorithms, data and instructions behind them. A flawed system or inaccurate output could lead to:

- Poor supplier selections
- Unnecessary or unauthorized payments
- Actions outside established purchasing authority
- Misinterpreted contract provisions
- Agreements containing unfavorable terms

These errors may quickly escalate into supplier disputes, contractual breakdowns and financial losses.

Businesses should establish clear limits before deploying AI in procurement. Appropriate controls may include:

- Setting monetary thresholds that require human approval
- Restricting authority over supplier awards and contract renewals
- Maintaining records of AI-generated decisions and human interventions
- Requiring additional review of high-impact purchasing activities

Legal, IT, procurement and risk management teams should work together to define these boundaries.

Accountability for AI Decisions

Human oversight remains essential even when controls are in place. Businesses may assume an AI system or its vendor bears sole responsibility for a faulty transaction, but delegating a decision to technology does not necessarily transfer accountability.

Under the federal Electronic Signatures in Global and National Commerce Act, a contract generally cannot be denied legal effect solely because electronic agents helped create it, provided the technology's actions are attributable to the party being bound. An organization may therefore remain responsible for a contract its AI tool negotiated or executed.

Strong documentation can help demonstrate who authorized the technology, what limits applied, when human review occurred and how decisions were made. Organizations should also define internal ownership for AI-supported purchasing activities. Without clear accountability, responsibility may fall through the gaps between procurement personnel, technology teams, executives and third-party vendors.

Vendor agreements also deserve careful review. Businesses should understand how contracts allocate responsibility for system failures, inaccurate outputs, unauthorized actions and resulting losses, rather than assuming the technology provider will absorb every consequence.

Insurance Considerations

Insurance may address some AI-related liabilities, but coverage depends on policy terms, insured services and the allegations involved. Contractual or financial losses resulting from a poor purchasing decision may not be covered.

Professional liability insurance may respond when a business uses AI to provide professional services and an error financially harms a client. Technology vendors may also face claims alleging that their products or services failed to perform as intended.

Businesses should review their AI procurement risks, contractual obligations and existing coverage with legal counsel and an insurance professional. For more risk management guidance, contact us today.



As AI takes on more procurement authority, businesses remain accountable for its decisions. Clear limits, human oversight, detailed documentation and carefully reviewed insurance coverage can help prevent technology errors from becoming contractual and financial losses.