

# How to Overcome Objections to Purchasing Small Business EPL

Because so many owners and managers of small to mid-sized businesses lack complete and accurate information about employment practices liability, they often fail to understand the full extent of their risks.

Their objections to purchasing EPL coverage may sound reasonable on the surface. As a trusted advisor, you can educate them and correct misconceptions so they can make sound decisions based on reliable information. Here are some of the most common objections you may hear and the facts you need for a reasoned response.

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## **My business is too small to need EPL coverage.**

Every year, the Equal Employment Opportunity Commission (EEOC) records as many as 75,000 or more charges filed against employers under federal statutes. The majority of these are against companies that have fewer than 100 employees.

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## **We're a family owned business. All our employees are like family too.**

People are people, whether they work for a corporate giant or the next-door neighbor. Employees — including relatives and friends — sue their employers everyday for everything from discrimination, harassment and invasion of privacy to emotional distress, wrongful termination, breach of promise and much more. Even job candidates you don't hire can sue and win.

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## **My human resources policies and practices are impeccable and ironclad. No one could win against me.**

You don't have to be wrong to be sued. Even if you're right, the cost to defend a case can be as devastating to a small or mid-sized business as a judgment against you. Even frivolous claims can cost you time and money to defend.

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## **I already have Business Owners Policy (BOP) or General Liability (GL) insurance. I'm covered.**

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Many small business owners carry a standard Business Owners Policy (BOP) or General Liability (GL) policy. Most of them don't know about the EPL exposures not covered by these types of policies. Business owners are often unaware of gaps in coverage that can leave them exposed to substantial losses. These losses can destroy a growing company and even endanger the personal assets of a small business owner.

Having an EPL endorsement on your BOP or GL policy doesn't mean that you have the coverage you need to fully protect your business. Check with your agent to see if you have the correct amount of coverage for your EPL exposure.

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## **If I get sued, I'll just pay the costs myself.**

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The average cost of an EEOC lawsuit exceeds nearly \$140,000. When damages are awarded that figure can skyrocket. That's a heavy financial burden to bear. And it's not always just the company's financial assets. You can be liable as an individual. That makes it a personal and family issue.

The dollar figure is just part of the cost. Consider how much time spent away from your business a lawsuit would require from you or other staff, the emotional toll, the effect on morale and the potential damage to your company's reputation and yours.

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## **I'm a good judge of human nature. I can spot problems right away, in plenty of time to correct them.**

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Resolving issues before they become problems is absolutely the best way to manage employment practices risk. Business owners and managers can sometimes spot potential problems before they escalate. What they may not have is an in-depth knowledge of the intricacies of employment practices law. They also may not understand the proper way to resolve a problem to avoid liability down the road or the consequences of handling an issue improperly. To manage risk and avoid problems in the first place, Monitor maintains a toll-free employment practices liability hotline providing clients with expert advice on how to handle virtually any kind of loss prevention issue, large or small. Even better, the service is free of charge with unlimited usage.

For more information regarding our Small Business Employment Practices Liability coverage, please send your request to [sbusubmissions@monitorliability.com](mailto:sbusubmissions@monitorliability.com) or fax it to (847) 806-6282.

