

# Employment Practices Liability Insurance for Law Firms



## The Risk is Real

If anyone understands the importance of managing risks, it is a law firm's partners and managers. However, employment practices liability (EPL) risk often goes unaddressed. EPL encompasses a broad range of issues. Gender, race and age discrimination. Harassment of all sorts. Wrongful termination. Disability rights. Retaliation for workers' compensation claims. The list goes on.

## The Consequences Can Be Catastrophic

Unfortunately, those who suffer the most are the very ones who can't afford the debilitating financial devastation that can result from even a single employment practices liability lawsuit. Consider the facts:

- ▶ The Equal Employment Opportunity Commission (EEOC) recorded over 95,000 charges in 2008
- ▶ Private businesses with 100 or less employees are the most often sued for federal discrimination claims
- ▶ The average cost of an EEOC lawsuit in 2008 exceeded \$279,000

Some law firms may consider going without EPL coverage to save money. Others mistakenly assume they are covered under their general liability policies, which most often have a standard exclusion for employment practices liability exposures. Going without EPL insurance can be a costly decision. Even if you only have a few employees, you need EPL coverage.

## The Solution is Here

The risk for your law firm is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers, LLC. Our Employment Practices Liability Law Firm Program can help you manage the risks and avoid the burdens of employment-related claims.

## Law Firm Program Eligibility

Monitor's EPL insurance coverage is available for a wide variety of law firms including those that are organized as general partnerships, professional corporations, limited liability partnerships or limited liability companies. We insure small to midsize firms — those with five or more employees.

## EPL Policy Enhancements for Law Firms

- ▶ Third party liability coverage for claims brought by clients for discrimination and/or harassment
- ▶ Definition of insured to include partners
- ▶ Coverage for failure to promote partner
- ▶ Unlimited access to a toll-free Employment Practices Liability Helpline that provides expert EPL advice

## A Trusted Source

Monitor has a proven track record of delivering high-quality, affordable and flexible EPL coverage that addresses the special needs of law firms.

For more information about Monitor's Employment Practices Liability Law Firm Program, you or your insurance agent can contact:

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Here are just a few examples of the havoc a single employment-related lawsuit can wreak on a law firm.

## Sexual Harassment

A former legal assistant at a small law firm filed a charge of sexual harassment. The assistant alleged that an attorney who she had worked with at the law firm had sexually harassed her. She alleged that the attorney had engaged in inappropriate sexual conversation and contact in the office. There was evidence of provocative e-mail sent from the attorney as well as incidents reported by other female employees. The firm's defense costs totaled \$90,000.

## Wrongful Termination

An associate at a midsize law firm was dismissed after the firm decided to reorganize due to a downturn in business. After her dismissal, the former associate alleged that the letter of employment she had received outlining her salary, benefits and start date was a contract and that she could only be terminated for "cause." Denying a motion for summary judgment, the court found that because the letter of employment did not mention "at will" employment, a jury would need to decide if a contract was created. This claim cost more than \$270,000 to resolve.

## Sexual Harassment

A lawyer at a large law firm frequently viewed suggestive material on his computer. The lawyer assumed that his female assistant did not see the images on his screen. The assistant did not complain to her supervisor, but reported his activity to the human resources department. They confirmed that the lawyer had accessed suggestive material repeatedly, yet they did not confront him and no action was taken. The assistant sued the law firm and the lawyer, asserting sexual harassment and hostile work environment. The case was settled for \$40,000 after it was discovered during the assistant's deposition that she also viewed suggestive material at work. Total defense costs paid were more than \$100,000.

## The Monitor Difference

Monitor Liability Managers, LLC is an underwriting management company specializing in professional liability insurance. We have the experience, proven track record, financial strength and products to provide our clients with first-rate protection.

All insurance products are not created equal. The true value of an insurance product comes from the people and the company backing it.

## Strength and Stability

As a member company of the W. R. Berkley Corporation and with full underwriting and claims settlement authority for all of its insurance products, Monitor provides insureds with access to the resources of a large corporation combined with the outstanding customer service of a smaller company.

Monitor underwrites professional liability insurance on behalf of W. R. Berkley Corporation member companies. A Fortune 500 company, Berkley has annualized revenues of \$4.7 billion, total assets of \$16.1 billion and stockholders' equity of \$3 billion. Monitor issues policies through two of the industry's most respected and trusted insurers, Admiral Insurance Company, rated "A+" (Superior) by A.M. Best Company, and Carolina Casualty Insurance Company, rated "A+" (Superior) by A.M. Best Company. Both are W. R. Berkley Corporation member companies.