

Employment Practices Liability Insurance for the Cosmetic Industry



The Risk is Real

Many in the cosmetic industry don't really understand what employment practices liability (EPL) is and the broad range of issues it encompasses. 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 businesses 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 business is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers, LLC. Our Employment Practices Liability Cosmetic Program can help you manage the risks and avoid the burdens of employment-related claims.

Cosmetic Program Eligibility

Monitor's EPL insurance coverage is available for wholesale distributors, manufacturers and retail establishments in the cosmetic industry. We insure small to midsize clients — those with five or more employees.

EPL Policy Enhancements for the Cosmetic Industry

- ▶ Third party liability coverage for claims brought by customers for discrimination (including costs of defense for Americans with Disabilities Act (ADA) and public accommodation claims) and/or harassment
- ▶ Unlimited access to a toll-free Employment Practices Liability Helpline that provides expert EPL advice
- ▶ \$100,000 costs of defense for claims alleging violation(s) of the Fair Labor Standards Act
- ▶ Modified settlement clause (80%/20% coinsurance) and a 10% reduction in the deductible upon consent to settle
- ▶ Optional \$25,000 costs of defense for criminal investigations brought by any government agency for alleged hiring or harboring of illegal aliens

A Trusted Source

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

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

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Here are just a few examples of the havoc a single lawsuit can wreak on your business.

Sexual Harassment

A female employee at a cosmetic supply distribution company sued her manager for sexual harassment. She alleged that her manager repeatedly groped her, made suggestive comments to her and eventually forced her to have a sexual relationship with him in order to keep her job. The manager denied that she was forced and claimed the relationship was consensual. Defense costs exceeded \$95,000. The case settled for \$130,000.

Wrongful Termination/Discrimination

A laboratory technician filed a complaint against her former employer, a large cosmetics company. She alleged that she was subject to sexual harassment by her direct supervisor because of her pregnancy. She complained to the company's human resources department, but no action was immediately taken. Shortly after, she was terminated. She then sued the company and claimed that her termination was in retaliation for complaining of unlawful pregnancy discrimination. The case settled for \$75,000.

Wage and Hour

A factory line worker at a cosmetics manufacturing plant alleged that he failed to receive overtime compensation for assigned work completed after regular hours. He alleged that he regularly worked in excess of 40 hours per week and that his status was misclassified as exempt; therefore he did not receive overtime pay according to the provisions of the Fair Labor Standards Act (FLSA). The factory incurred fees in excess of \$25,000. The case settled for \$40,000.

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.