

# Employment Practices Liability Insurance



## Comprehensive Protection

Employment Practices Liability (EPL) Insurance provides coverage for a broad range of exposures such as discrimination, harassment, wrongful termination and retaliation. EPL Insurance protects businesses against liability for claims brought by employees who allege employment-related wrongful acts.

## Coverage Features<sup>1</sup>

- ▶ Employment practices liability protection for claims made by current, former and potential employees
- ▶ Protection extends to the company, employees and directors
- ▶ Coverage includes full-time, part-time, leased, seasonal and temporary employees
- ▶ Covered claims include regulatory proceedings such as Equal Employment Opportunity Commission (EEOC) charges
- ▶ Covered losses include damages and defense costs
- ▶ Full prior acts coverage

## Coverage Enhancements

- ▶ \$100,000 sublimit for defamation, libel and invasion of privacy against a third party resulting from the use of social media; workplace bullying and social media defined; expanded definition of wrongful act to include workplace bullying
- ▶ 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
- ▶ \$100,000 costs of defense for claims alleging violation(s) of the Fair Labor Standards Act (FLSA)
- ▶ Optional \$25,000 costs of defense for criminal investigations brought by any government agency for alleged hiring or harboring of illegal aliens

<sup>1</sup>This coverage overview is not a part of an insurance contract and does not supersede the policy. Please read the policy form for complete terms, conditions and exclusions.



A Berkley Company

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- ▶ Optional \$100,000 sublimit for franchisor if named in a claim along with the named insured (franchisee)
- ▶ Modified settlement clause (80%/20% coinsurance) and a 10% reduction in the deductible upon consent to settle
- ▶ Modified prior and pending litigation exclusion with unemployment benefits carve-out
- ▶ Costs of defense in addition to limit of liability

## Program Specifics

- ▶ Policy limits from \$250,000 to \$5 million
  - Primary or Excess
- ▶ Premiums start as low as \$2,500 annually
- ▶ Minimum deductible of \$2,500

## Target Market

- ▶ Companies employing up to 2,000 employees

## About Monitor Liability Managers, LLC

For nearly two decades, Monitor has provided comprehensive executive and professional liability insurance at competitive prices. Our consistency of leadership, outstanding customer service and industry expertise enable us to provide insurance products unsurpassed in the marketplace.

Monitor is a member company of the W. R. Berkley Corporation with full underwriting and claims settlement authority for its insurance products.

### A+ Rated Insurance Carriers

Admiral Insurance Company (Nonadmitted)  
Berkley Insurance Company (Admitted)  
Carolina Casualty Insurance Company (Admitted)

- ▶ A.M. Best Company rated: A+ (Superior)

### Contact Us

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### Submissions

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Fax: (847) 806-6282

# Employment Practices Liability Insurance

## Consider the Facts

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The number of employment-related lawsuits brought against businesses continues to increase.

- ▶ The Equal Employment Opportunity Commission (EEOC) recorded nearly 100,000 charges in 2010 — a record high and a 7% increase from 2009
- ▶ The EEOC reported significant increases in Americans with Disabilities Act (ADA) and Genetic Information Nondiscrimination Act (GINA) charges
- ▶ For the first time ever, retaliation charges were the most frequently filed charge in 2010 with charges increasing 68% between 2000 and 2010
- ▶ The average cost of an EEOC lawsuit in 2010 exceeded \$270,000

## Protect Your Client's Business

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Most business owners carry a standard Business Owners Policy (BOP) or General Liability (GL) policy. Many of them don't know that Employment Practices Liability exposures are not covered by these types of policies. Business owners are often unaware of gaps in coverage leaving them exposed to substantial business and personal asset losses.

## Risk Management Services

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Monitor provides a suite of risk management services to its insureds at no cost. These services are offered by Gordon & Rees, LLP and give our insureds access to:

- ▶ Unlimited calls to a toll-free, confidential human resources helpline that provides expert advice about employment-related workplace concerns
  - (877) 503-4595
- ▶ A risk management Web site, MyHRHelp, that provides resources covering all areas of workplace law and includes templates of employment applications, policies, procedures and an employee handbook
  - [www.myhrhelpweb.com](http://www.myhrhelpweb.com)
- ▶ A subscription to the newsletter, *Employment Law Updates*, that highlights important workplace law news and trends

## Claims Expertise

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With more than 100 years of combined experience, Monitor's claim professionals and attorneys respond to and manage claims effectively. Our experts handle a wide range of claims that occur with the most sophisticated risks in the market.

## Claims Examples

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### Gender Discrimination/Retaliation

The EEOC filed a gender discrimination and retaliation lawsuit against a large restaurant chain on behalf of a former female employee. According to the suit, the restaurant paid the female employee significantly less than a similarly qualified male employee who performed the same duties. She alleged that she was subject to different terms and conditions of employment based on her gender. She spoke to management multiple times about her concerns, but no action was taken. After her last complaint, she was terminated. The case went to trial and the jury concluded that the restaurant acted with malice and reckless indifference to her federally protected rights. The female employee was awarded over \$100,000 in compensatory damages and \$2.1 million in punitive damages.

### Racial Discrimination

A software developer at a Web design firm alleged racial discrimination when he was denied a promotion to a senior-level position. He alleged that after interviewing twice, he was told that there were no available positions. The developer also claimed that following his interviews, the firm advertised for the same position he was told was unavailable. The firm denied his allegations and stated that after the software developer was interviewed, they made a business decision not to hire for the senior-level position. Defense costs exceeded \$50,000.

### Wage and Hour

Two employees at a furniture manufacturer filed a lawsuit alleging they should have received overtime pay. The employees alleged that they routinely worked up to 70 hours per week, but were not paid at the overtime rate. The U.S. Department of Labor investigated the case and found that the furniture manufacturer violated the Fair Labor Standards Act (FLSA) by failing to pay overtime wages for all time worked beyond 40 hours. In addition to being heavily fined, the furniture manufacturer incurred defense costs of \$100,000.

### Learn More

For more information about Monitor's Employment Practices Liability Insurance and the many EPL programs we offer, contact your insurance agent or broker or:

Visit: [www.monitorliability.com](http://www.monitorliability.com)

E-mail: [contactus@monitorliability.com](mailto:contactus@monitorliability.com)