

Employment Practices Liability Insurance for Accounting Firms



The Risk is Real

Many owners and managers of accounting firms don't really understand what employment practices liability (EPL) is and the broad range of exposures it encompasses. Gender, race and age discrimination. Harassment of all sorts. Wrongful termination. Disability rights. Retaliation. 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 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

Some accounting 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 accounting firm is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers, LLC. Our Employment Practices Liability Accounting Firm Program helps manage the risks and avoid the burdens of employment-related claims.

Accounting Firm Program Eligibility

Monitor's EPL insurance is available for a wide variety of accounting 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 Accounting Firms¹

- ▶ \$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
- ▶ Waiver of deductible (if ruling of no liability obtained)
- ▶ Optional \$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
- ▶ Valuable risk management services offered (see reverse side)



A Berkley Company

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Claims Examples

Disability Discrimination

An employee brought a disability discrimination suit against his former employer, a large accounting firm. The employee was dismissed from his job when his employer found out that he had multiple sclerosis. The accounting firm tried to justify the dismissal by alleging that the accountant was untruthful on his job application when he failed to reveal his disability. The case went to trial, and the jury found that the accounting firm had violated the Americans with Disabilities Act (ADA) by asking medically related questions on their job application and by dismissing the employee due to his disability. The accountant was awarded a \$50,000 settlement.

Gender/Age Discrimination

A 61-year-old female accountant filed a gender and age discrimination suit against her former employer, a midsize accounting firm. The accounting firm alleged that she was dismissed based solely on poor performance. It was revealed during mediation that the accountant had since been replaced by a younger, less experienced male accountant. Defense costs totaled \$36,000. The case settled for \$125,000.

Wrongful Termination

A former administrative assistant sued a small accounting firm. She alleged that she was subjected to racially derogatory comments and discriminatory treatment. She further alleged that she reported these problems verbally and in writing, and the firm failed to take action regarding her complaints. The accounting firm terminated the employee during her probationary period after verifying that she had threatened the life of another employee. The accounting firm's defense costs were more than \$25,000.

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)

Risk Management Services

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
- A subscription to the newsletter, *Employment Law Updates*, that highlights important workplace law news and trends

Claims Expertise

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.

¹This 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.