

Employment Practices Liability Insurance for Architectural and Engineering Firms



The Risk is Real

Many owners and managers of architectural and engineering 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 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 firm is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers, LLC. Our Employment Practices Liability Architectural and Engineering Firm Program helps manage the risks and avoid the burdens of employment-related claims.

Architectural and Engineering Firm Program Eligibility

Monitor's EPL insurance is available for a wide variety of 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 Architectural and Engineering 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

Wrongful Termination

An engineer was terminated after he accumulated multiple unexcused absences and failed to complete his assigned work. His missed deadlines caused the loss of a key client, who later contracted with the firm's competitor. In addition, the firm asserted that his previous work showed a lack of quality. The engineer sued the company claiming they failed to follow the corrective action procedures as described in the company's employee handbook. The firm incurred \$150,000 in legal fees and expenses. The case ultimately settled for \$100,000.

Gender Discrimination

A female architect sued an engineering firm for alleged gender discrimination after she was denied a promotion. She also claimed that her project manager sexually harassed her. The firm refuted the architect's allegations and the project manager denied that the harassment occurred. The firm maintained that she did not receive the promotion due to poor work performance. Even though the case settled quickly, the firm incurred defense costs of \$11,000. The case settled for \$350,000.

Wrongful Termination

The owner of a prominent engineering firm hired a close friend as a marketing manager. Due to the involved friendship, employment terms were discussed verbally and there was only a rough-draft of the written job description. After five years had passed, the marketing manager grew bored with the monotony of his position and began to market his services to competitors. When the owner found out about his actions, he terminated the manager's position. The manager filed a breach of oral contract suit. He claimed that the owner had no right to break the contract based on work he conducted after hours. Defense costs totaled more than \$220,000. The case settled for \$350,000.

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.