

# Employment Practices Liability Insurance for Auto Dealerships



## The Risk is Real

Many auto dealership owners and managers 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 auto dealerships 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 dealership is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers, LLC. Our Employment Practices Liability Auto Dealership Program helps manage the risks and avoid the burdens of employment-related claims.

## Auto Dealership Program Eligibility

Monitor's EPL insurance is available for small to midsize auto dealerships — those with five or more employees.

### EPL Policy Enhancements for Auto Dealerships<sup>1</sup>

- ▶ \$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
- ▶ 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)

### Contact Us

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### Submissions

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## Claims Examples

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### National Origin Discrimination

A Hispanic mechanic at an auto dealership was terminated for falsifying his time sheet. The dealership also alleged that he fabricated customer car part orders and used the parts to repair his personal vehicle. The mechanic sued for national origin discrimination. The case settled for \$30,000 two weeks prior to the trial date. The dealership's defense costs were \$60,000.

### Wage and Hour

Local auto dealership drivers alleged that they did not receive pay for numerous overtime hours worked. The drivers claimed that their manager deducted time from their hours worked for a lunch break each day, even though the drivers did not always take a lunch break. The dealership also failed to pay drivers for commuting to and from their first and last customer pick up of the day. Defense costs totaled \$70,000. The case settled for \$165,000.

### Gender Discrimination

A female sales associate at an auto dealership filed a claim that she was denied a promotion because of her gender. The promotion was given to a less experienced male sales associate. In the lawsuit, the Equal Employment Opportunity Commission alleged that the dealership had a history of discrimination against female applicants. The dealership denied the allegations, but settled for \$50,000 and agreed to conduct training for managers and the dealership staff regarding anti-discrimination policies and procedures.

## About Monitor Liability Managers, LLC

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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

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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.

<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.