

Employment Practices Liability Insurance for Law Firms



The Risk is Real

If anyone understands the importance of managing risks, it is a law firm's partners and managers. However, employment practices liability (EPL) risk often goes unaddressed. EPL encompasses a broad range of exposures. 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 law 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 law firm is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers, LLC. Our Employment Practices Liability Law Firm Program helps manage the risks and avoid the burdens of employment-related claims.

Law Firm Program Eligibility

Monitor's EPL insurance is available for a wide variety of law 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 Law 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
- Definition of insured to include partners
- Coverage for failure to promote partner
- 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

Sexual Harassment

A former legal assistant at a small law firm filed a charge of sexual harassment. The assistant alleged that an attorney who she had worked with at the law firm had sexually harassed her. She alleged that the attorney had engaged in inappropriate sexual conversation and contact in the office. There was evidence of provocative e-mail sent from the attorney as well as incidents reported by other female employees. The firm's defense costs totaled \$90,000.

Wrongful Termination

An associate at a midsize law firm was dismissed after the firm decided to reorganize due to a downturn in business. After her dismissal, the former associate alleged that the letter of employment she had received outlining her salary, benefits and start date was a contract and that she could only be terminated for "cause." Denying a motion for summary judgment, the court found that because the letter of employment did not mention "at will" employment, a jury would need to decide if a contract was created. This claim cost more than \$270,000 to resolve.

Sexual Harassment

A lawyer at a large law firm frequently viewed suggestive material on his computer. The lawyer assumed that his female assistant did not see the images on his screen. The assistant did not complain to her supervisor, but reported his activity to the human resources department. They confirmed that the lawyer had accessed suggestive material repeatedly, yet they did not confront him and no action was taken. The assistant sued the law firm and the lawyer, asserting sexual harassment and hostile work environment. The case was settled for \$40,000 after it was discovered during the assistant's deposition that she also viewed suggestive material at work. Total defense costs paid were more than \$100,000.

*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.

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.