



employment practices liability

Employment practices liability insurance, commonly known as EPLI, provides coverage to an employer against allegations made by former, current or prospective employees of a wrongful employment act committed by the employer. Wrongful employment acts are allegations ranging from discrimination under Title 7 (sex, race, age, disability, HIV status, etc.) wrongful termination, various forms of harassment to EEOC investigations. The coverage also intends to provide coverage for other employment related issues which are discussed more in depth within the policy language.

EPLI is an imperative coverage for all employers to have given the current litigation climate leaning heavily toward the employees. The coverage not only pays for actual wrongful acts but will pay to defend allegations as well. Three out of every five employers are sued by former employees every year. On average, those claims for small to medium size entities took **275** days to settle or close costing **\$125,000** between defense and settlement costs. If an entity pushes past settlement to a trial, the employee wins 60% of these cases even without an actual wrongful act being committed.

COVERAGE HIGHLIGHTS

- Broad definitions of "Employee" included independent contractors and volunteers available for most classes
- Workplace Violence sub-limits available
- IRCA investigation sub-limits available
- FLSA (Wage and Hour) sub-limits available ranging from \$25K - \$250K for some classes
- Defense outside the limit available
- First and Third party coverage available foremost classes

SAMPLE CLAIMS

Discrimination/Wrongful Termination: A female Marketing Manager took leave subject to the Family Medical Leave Act (FMLA) upon the birth of her first child. She was terminated one month after her return to work for poor work performance and the company eliminated her position. There was no documentation of poor performance prior to her FMLA leave.

Third Party Liability: A blind customer entered a local grocery store with his guide dog. The manager of the meat/deli department asked the customer to take his dog outside because he thought the dog presented a health hazard. The customer sued for violation of the Americans with Disabilities Act.

Retaliation: An African American employee of a large repair and painting firm complained to management that some of his coworkers were using racial slurs and jokes. His supervisor transferred him to an inside warehouse position at a reduced hourly rate stating that it would be better for him to work alone rather than be exposed to those workers. The employee later sued for discrimination and retaliation after reporting the discrimination.