



Employment Practices Liability

Why You Need Employment Practices Liability Insurance (EPL):

- ▶ A private company is more likely to have an employment practices claim than a general liability or property claim
- ▶ Three out of every five employers are sued by former employees
- ▶ Sixty-five percent of all companies that have ever fired an employee have been hit with an employment-related lawsuit
- ▶ In 2006, the median award for all plaintiff verdicts was over \$200,000
- ▶ Over 40 percent of all employment practices claims are brought against firms with fewer than 100 employees

The following are important coverages that we offer; make sure your policy includes all of these features:

COVERAGE FEATURES	USLI	COMPETITORS
Fair Labor Standards Act (FLSA) – \$100,000 sub-limit for defense costs and loss (available in most jurisdictions) to protect employers in the event they are confronted with wage and hour disputes		
Defense outside the limit – We bear all costs of defense above the retention and defense costs do not erode the limit of liability (if a \$500,000 or higher limit is chosen and there are fewer than 200 employees)		
Duty to defend – We have an obligation to defend all claims (as defined by the policy) even if found to be groundless, false or fraudulent. We use expert outside defense counsel and in-house claim adjusters to control defense costs as well as to reduce overall claim costs		
Full prior acts available for most risks – provides coverage for acts occurring prior to the inception of the policy that result in claims made during the policy period		
Punitive damages are included in the definition of loss with most favorable venue wording (available in most jurisdictions). Punitive damages can be one of the largest EPL exposures for an organization. Most favorable venue wording is especially important for organizations with multiple locations, as punitive damages are not insurable in all states.		
Independent contractors are included in the definition of employee		
Risk management services – Free human resources consultation helpline service with unlimited calls and no time limits		
Policyholders have access to many services through our Business Resource Center that will assist in growing and protecting their businesses.		

This document does not amend, extend or alter the coverage afforded by the policy. For a complete understanding of any insurance you purchase, you must first read your policy, declaration page and any endorsements and discuss them with your agent. A sample policy is available from your agent. Your actual policy conditions may be amended by endorsement or affected by state laws.