

COVERAGE IN ACTION

EXAMPLES OF INSURANCE AT WORK

Employment Practices Liability Insurance

From hiring new workers to assigning duties, each of your decisions affects employees in a unique way. Although these actions are critical to running your business, they also create exposures that could lead to costly claims by employees or governmental regulators. Even if they are not warranted, claims for wrongful employment practices can disrupt operations, damage your business's reputation, hurt employee morale and negatively impact your bottom line.

Thankfully, businesses can rely on employment practices liability (EPL) insurance to protect against a wide range of wrongful employment practices claims, including wrongful termination, discrimination, sexual harassment and retaliation.

Claims Scenario: *Litigation Frustration*

The company: An auto dealership that relies heavily on the performance of its salespeople

The challenge: An auto dealership employs a number of salespeople who, when performing at a high level, contribute greatly to the company's bottom line. One such salesperson, who had put up great numbers in the past, saw a marked decline over the last few years. In addition, this salesperson had become increasingly hostile toward customers.

After frequent warnings and poor performance reviews, the salesperson was let go. However, this salesperson quickly fired back with a wrongful dismissal lawsuit, claiming they had been fired based on their age. Cases like these often fetch well over \$100,000.

EPL insurance in action: One of the key benefits of EPL insurance is how it responds to actual and alleged acts. In the example above, EPL insurance can provide ample defence cost coverage, which, in turn, protects the organization and its directors and officers.

What's more, the type of claims EPL policies respond to are vast. In fact, EPL insurance can help organizations fight claims related to breaches of contract, wrongful terminations and non-compliance with employment laws.

Claims Scenario: *Take All Complaints to Heart or Get Taken to Court*

The company: A small health club with only a few employees

The challenge: A local health club employs just 10 workers, most of whom are male. While the staff members seem to get along from the employer's perspective, one of the female trainers expressed private concerns to her manager.

Specifically, the female employee felt uncomfortable with the way her male peers spoke to each other when they were around her. In addition, she felt that she was unfairly overlooked for a recent promotion due to her sex.

Because the employer felt this employee wasn't being treated any differently, they didn't take any corrective action or address any of her behavioural concerns. As a result, a sexual harassment lawsuit was quickly filed against the company.

EPL insurance in action: Sexual harassment cases are becoming increasingly common and can affect businesses of all sizes. While organizations need to take reports of harassment seriously, EPL insurance can help organizations respond effectively to claims.

Furthermore, many policies provide additional resources companies can use to boost their risk management practices. Notably, EPL insurance can connect businesses to human resources consultation, which can be invaluable when avoiding legal action.

Learn More About EPL Insurance

Business leaders make decisions each day on a range of issues including things like hiring, firing, compensation, promotions and the work environment. Every one of these decisions impacts your employees and, depending on the outcome, could result in a claim related to wrongful employment practices.

Claims for wrongful employment practices are on the rise and often lead to business interruptions and costly claims. In order to truly protect your organization, it's critical to seek EPL insurance. To learn more, contact your insurance broker today.

Talk to an Expert

RiskSOURCE Clark-Theders
513.779.2800
www.risksource.com

Benefits of EPL Insurance

- **Coverage for alleged acts**—EPL insurance not only protects organizations from actual wrongful acts, but alleged acts as well. Specifically, EPL coverage can safeguard an organization from claims related to discrimination, harassment, retaliation and wrongful termination.
- **Timely responses to lawsuits**—Employees suing their employers is common, and organizations will want to be prepared. This is especially important when you consider that there is no cap on how much a jury can award and that settlements in employment-related cases can easily reach six figures.
- **Access to legal help**—Strong EPL policies provide the insured with access to legal resources. This can prove invaluable if you need advice quickly.
- **Risk management strategies**—While employment-related lawsuits can arise at any time, organizations that take the time to implement basic risk controls are better equipped to avoid claims altogether. Many insurance companies provide access to risk management training and human resources consulting. These services can greatly reduce the likelihood that your company is sued by an employee.