

# Employment Practices Liability Insurance

## EPLI Policies

Frankenmuth Insurance has expanded its Employment Practices Liability Insurance (EPLI) program to include Third Party Liability coverage. Our policy provides defense and settlement coverage for the most widely alleged wrongful employment claims.

New Optional Third Party Coverage - defense and settlement of Third Party Harassment and Third Party Discrimination.

Discrimination – failure or refusal to hire (or any other wrongful treatment of an employee) based on race, sex, color, religion, sexual orientation, marital status, pregnancy, age, disability, or other status protected by federal, state or local laws related to employment.

Wrongful termination – any actual or alleged discrimination, harassment, and wrongful dismissal, discharge or termination of employment, including breach of implied contract related to an employment decision to hire, fire, promote or demote.

Harassment – unwelcomed sexual or non-sexual conduct used as a condition of employment, used as a basis for making decisions, or that creates a hostile, intimidating or offensive work environment.

### The Frankenmuth EPLI policy also includes coverage for:

- Retaliation or retaliatory discharge
- Libel, slander, humiliation, defamation or invasion of privacy
- Wrongful failure to promote or employ
- Wrongful deprivation of career opportunity
- Wrongful demotion or negligent evaluation
- Wrongful discipline
- False imprisonment
- Violations of Family Medical Leave Act or Uniformed Services Employment & Reemployment Rights Act
- Improper disclosure of confidential employee information resulting in identity theft.

**SEE REVERSE SIDE which includes the 10 Reasons for ELPI Coverage.**



Contact your local Patriot Insurance Independent Agent for details.

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# 10 Reasons For EPLI Coverage



## 1. You Don't Have to be Guilty

The person you least expect may be the one to sue, and guilty or not, you must defend yourself. Typical defense costs on frivolous EPLI suits start at \$45,000 and climb dramatically for cases not immediately dismissed by a judge. Our EPLI program provides protection through professional expert defense to lessen severity.

## 2. No Coverage Elsewhere

General Liability (GL) policies usually exclude EPLI claims which mean Commercial Umbrella policies exclude them too. Without an EPLI policy, your business will bear all defense costs and potential awards.

## 3. Lawsuits are on the Rise

A recent phone survey revealed 31% of all female and 7% of all male workers believe they have been sexually harassed. In today's litigious society, this means more lawsuits. Ten percent of the federal court docket is now comprised of employment law cases.

## 4. Laws Protect Employees

You're likely familiar with Federal Acts addressing family leave, discrimination, occupational safety, and more. Did you know many of these acts were revised in the 90s to allow for increased opportunities to sue, jury trials, and punitive damages? Realistically, laws promote employment related claims.

## 5. Filing EEOC Claims is Easy

The Equal Employment Opportunity Commission (EEOC) is obligated to accept most any charge-supported or not. The EEOC brought nearly 80,000 charges against employers in 2000. The average EEOC complaint takes one year to resolve.

## 6. Attorneys Love EPLI Cases

Plaintiff attorneys obviously enjoy healthy contingency fees. In the case of EPLI suits, however, they can sweeten the pot by suing for fees, a perk not allowed with most other suits. Moreover, tort allegations are often added to EPLI suits without caps on awards.

## 7. Size Doesn't Matter

Employment related losses present a significant risk for employers of any size. More than 40% of all EPLI claims are filed against private employers with 15 to 100 employees.

## 8. Leased Employees Can Sue Too

The EEOC in the 1990s concluded leased employees carry dual employer status. They may sue both the leasing company and the temporary employer for employment related claims. There is no safety net in hiring temps.

## 9. Judgments Can Be Large

Do you have \$1 million set aside for an EPLI claim? Many awards reach the seven figure range. \$3.5 million was awarded to a paraplegic denied a job. \$1 million was awarded to a 49-year old sales manager discriminated against because he looked his age. Twenty-seven percent of all winning plaintiffs in EPLI cases are awarded damages averaging less than \$3 million.

## 10. We Have the Right Price

Frankenmuth Insurance provides Employment Practices Liability Insurance at a reasonable rate. Compare our coverage and see why we truly are with you all the way.

Contact your local Patriot Insurance Independent Agent for details.

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