What is employment practices liability insurance?



As an employer, you strive to create a safe and equitable workplace for your employees. But even with the best intentions, policies, and employee training, disputes can arise. That's why your business needs Employment Practices Liability Insurance (EPLI) that will help cover the legal costs related to defending your business, if needed. What is Employment Practices Liability Insurance? EPLI is an important form of insurance coverage that safeguards your business against costly legal claims that may arise from workplace-related issues, including:

- **Discrimination:** Claims of discrimination based on factors such as age, race, gender, religion, disability, or sexual orientation can result in expensive legal battles. Employment Practices Liability Insurance covers defense costs and settlements in these cases.
- **Harassment:** If your business is sued for workplace harassment, including sexual harassment, it can lead to significant financial losses. EPLI can provide coverage for the legal expenses associated with such claims.
- **Wrongful Termination:** If an employee believes they were unjustly terminated, they may file a wrongful termination lawsuit. EPLI can help cover the legal costs of defending against such lawsuits.
- **Other Employment-Related Claims:** Patriot Insurance Company's Employment Practices Liability Insurance covers a wide range of other claims, including libel, invasion of privacy, violation of the Family and Medical Leave Act, wrongful demotion, and more.

Examples of employment-related legal disputes.

Here are just two examples of lawsuits that resulted in costly damages for employers:

- An employee of a technology company sued her employer for gender and age discrimination after comments about the employee were made which included the phrases, “a dumb female,” “part of the old culture,” and “outdated.” The employee was awarded $31 million in damages.
- An employee sued his former employer for disability discrimination, asserting that the company refused to allow him to return to work after he was on disability leave recovering from a brain aneurysm. The jury awarded the employee $8 million, which included $7.5 million in punitive damages.

Preventing employment-related claims at your business.

No business is entirely immune to employment-related lawsuits. But there are steps you can take to minimize the risk of such claims being brought against your company.

- **Educate your managers and employees.** Make sure your company’s policies against discrimination and harassment are clear and understood by all employees. Post your policies throughout your workplace and include them in your employee handbook. You might also consider investing in training courses designed to foster a more equitable work environment and hiring practices.
- **Make sure employees know how to report complaints.** The sooner a complaint is reported, the more likely the situation can be handled without a legal claim. Encourage employees to come forward and report questionable situations before they escalate.
- **Document the process.** Keep good records of the ways you are working to foster a safe, equitable workplace. Also carefully document any employee complaints and the steps your company takes to remedy them.

In addition to protecting your company from legal battles, these steps can reassure your employees that you take their rights and well-being seriously. This helps create a more positive work environment, which can improve employee retention. Providing a workplace that is safe, honest, and fair for all is the first step to protecting your business from employment-related claims. The second step: investing in Employment Practices Liability Insurance. For help with Patriot Insurance Company EPLI coverage, talk to one of our local, independent agents.