

### WHAT IS EPL COVERAGE?

*Employment Practices Liability Insurance (EPLI) — a type of liability insurance covering wrongful acts arising from the employment process.*  
([www.irmi.com](http://www.irmi.com))



### WHAT IS USUALLY COVERED?

- ▶ Sexual harassment
- ▶ Discrimination
- ▶ Wrongful termination
- ▶ Retaliation
- ▶ Breach of employment contract
- ▶ Negligent evaluation
- ▶ Failure to employ or promote
- ▶ Wrongful discipline
- ▶ Deprivation of career opportunity
- ▶ Wrongful infliction of emotional distress
- ▶ Mismanagement of employee benefit plans

### DID YOU KNOW:

- ▶ You are more likely to have an EPL loss than you are to have a fire? (1 in 4 employers is are sued by an employee in a five year span.)
- ▶ The average cost to defend an EPL claim tha thas NO merit is \$75,000.
- ▶ The average settlement for an EPL claim that goes to court is over \$217,000?
- ▶ Retaliation claims are the most common claims made against employers, followed by harassment?

### HOW TO REDUCE RISKS:

*To prevent employee lawsuits, educate your managers and employees so that you minimize problems in the first place:*

- ▶ Create effective hiring and screening programs to avoid discrimination in hiring.
- ▶ Post corporate policies throughout the workplace and place them in employee handbooks so policies are clear to everyone.
- ▶ Show employees what steps to take if they are the object of sexual harassment or discrimination by a supervisor. Make sure supervisors know where the company stands on what behaviors are not permissible.
- ▶ Document everything that occurs and the steps your company is taking to prevent and solve employee disputes.  
([www.iii.org](http://www.iii.org))

*If you have specific questions about whether EPL coverage is important for your business, please give us a call or email.*