

What is Employment Practices Liability (EPL) Coverage?

EPL is written to:

- Protect the company against damages for events relating to their workforce, including but not limited to; wrongful terminations, harassment, discrimination, defamation and unfair hiring/firing practices; and
- Provide defense costs associated with responding to employment related lawsuits.

Why Private Companies Should Consider Buying EPL Liability Coverage?

- Employers are facing increasing legal obligations while managing their workforces;
- Increased awareness and visibility of employment related lawsuits;
- Settlements can have a significant impact on the company's financial stability;
- Cost to defend against employment suits is high regardless of the outcome;
- An employment lawsuit, if not handled properly, can cause irreparable harm to a company's reputation;
- Lawsuits based on language in employee handbooks and other written policies and procedures are increasingly common;
- Compliance with laws in the workplace is costly, requires expertise, monitoring and training; and
- Commercial General Liability policies are not adequate to respond to EPL Matters.

EPL Filed Complaints and Charge Receipt Statistics (EEOC Data)

- In 2000, claimants filed 79,896 charges with the EEOC; a 16% increase over 1999;
- The number of settlements increased by 42%;
- The amount of monetary benefits increased by 16%; and
- The largest area of resolved complaints is merit resolutions. Merit resolutions are charges with outcomes favorable to the charging party.

EPL Charge Statistics (EEOC Data)

Charge Filed

% of Total

Race	36.2%
Sex	31.5%
Retaliation	27.1%
National Origin	9.8%
Religion	2.4%

What are the Sources of EPL Claims?

- **Race and Sex Discrimination**
- **Employees, former employees and employment applicants:**
 - Wrongful termination
 - Invasion of Privacy
 - Emotional Distress
 - Breach of contract
 - Discharge in Violation of Public Policy
 - Assault and Battery
 - Harassment / Discrimination
 - Defamation

- **Regulatory Violations and Government Investigations:**

- Equal Employment Opportunity Commission (EEOC)
- Department of Labor (DOL)
- Age Discrimination in Employment Act (ADEA)
- Fair Labor Standards Act (FLSA)
- Equal Pay Act (EPA)
- Title VII
- Americans with Disabilities Act (ADA)
- Family Medical Leave Act (FMLA)

- **Federal, State, City and County Statutes**
- **Customers, clients and consumer groups**