

Employment Practices Liability Insurance



An **Assurex** Global Partner

Homegrown Roots - Global Reach

Independent Insurance Broker providing
insurance solutions to companies,
families, and individuals for over 70 years

Offices: Dallas and Fort Worth, Texas

(972) 231.1300 (817) 332.1313

rhsb.com

WHY WOULD A WELL-MANAGED COMPANY NEED EMPLOYMENT PRACTICES LIABILITY COVERAGE?

Job reductions are occurring at a staggering rate. Many displaced employees are filing suit alleging discrimination regardless of the actual circumstances surrounding their termination.

Jury trials are now available in certain types of cases where prior to 1992 they were not.

Employment-related laws are very broad and apply to a wide range of people and employment practices.

Disputes over what constitutes a “reasonable accommodation” under The Americans With Disabilities Act (ADA) continue to generate lawsuits.

In addition to Federal laws, many state and city governments are enacting their own employment related laws.

Gaps in coverages provided under general liability, directors and officers and umbrella policies may leave companies uninsured for employment-related losses.

ISSUES TO CONSIDER:

- ✓ Workplace privacy issues
- ✓ Accommodating religious practices
- ✓ How to handle English-only employment policies
- ✓ Discrimination based upon a person’s accent
- ✓ Discrimination against employees who belong to two or more “protected classes”
- ✓ Employment discrimination on the basis of sexual orientation
- ✓ Same gender harassment

ALARMING STATISTICS:

Approximately 20% of all civil suits filed in the U.S. are employment related matters.

Discrimination lawsuits have risen 2,200% over the past 20 years, accounting for an estimated 20% of all the civil suits filed in U.S. courts.

Since 1990, the median jury award for age discrimination suits has been \$240,000.

The average discrimination verdict totals \$200,000. Average defense costs are in the range of \$100,000.

The average jury award in a recent survey of 72 wrongful termination verdicts was over \$450,000.

The average settlement for retaliation cases involving a worker’s compensation claim is \$673,000.

MORE LAWS THAN EVER BEFORE

Companies and their managers are subject to more federal, state, and local employment laws than ever before. Ambiguities in many of these laws allow the widest possible interpretation, which, in turn, opens the door for more litigation. In addition, most states and local laws are broader than their federal counterparts are.

Here are just a few of the Federal employment discrimination statutes enacted or enhanced in recent years:



More laws mean more potential lawsuits from of past, present or prospective employees. For example, Title VII of the Civil Rights Act of 1964, one of the most comprehensive federal anti-discrimination laws, provides protection and remedies for large numbers of individuals based on race, color, religion, gender (including pregnancy, sexual harassment) and national origin. The ADEA protects workers age 40 and older – a huge and growing portion of the workforce. And it is estimated that more than 43 million Americans qualify for protection under the Americans with Disabilities Act.

CGL DOES NOT RESPOND

- Covers only Bodily Injury and Property Damage claims
- Personal Injury definition not broad enough to include Wrongful Termination, Discrimination, Sexual Harassment
- Injury to an Employee - Excluded
- Employment Practices Exclusion CG 21 47

EMPLOYERS LIABILITY (WORK COMP) DOES NOT RESPOND

- Covers only Bodily Injury and excludes damages arising out of harassment, humiliation, Discrimination
- Excludes damages arising out of any personnel practices, policies, acts or omissions.