

Employment Practices Liability Insurance

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EPLI Policies

Frankenmuth Insurance offers two Employment Practices Liability Insurance policies. Our standard policy includes retroactive date coverage and covers the three most widely claimed wrongful employment practices listed below; our enhanced version provides even more protection.

Standard Form (02562) Protects Against:

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 wrongful dismissal, discharge or termination of employment, including breach of implied contract.

Harassment – unwelcome 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.

Enhanced Form (02564) Protects Against:

- The wrongful practices listed above
- Retaliation or retaliatory discharge
- Misrepresentation to an employee or applicant
- 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
- Detention or malicious prosecution
- Violations of Family Medical Leave Act or Uniformed Services Employment and Reemployment Rights Act

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

Contact your local Frankenmuth Insurance Independent Agent for details.
Visit www.fmins.com and utilize our agency locator to find an Agent near you.

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

5. Filing E.E.O.C. Claims is Easy

The Equal Employment Opportunity Commission 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 E.P.L.I. 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. Over 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. Judgements 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 just under \$3 million.

10. We Have the Right Price

Frankenmuth Insurance provides Employment Practices Liability Insurance at a reasonable price. We provide two comprehensive EPLI policies at rates considerably lower than those charged for comparable stand-alone policies. Compare us to the rest!

The information and suggestions contained in this material have been developed from sources believed to be reliable. However, Frankenmuth Insurance accepts no legal responsibility for correctness or completeness of this material, or its application to specific factual situations.