

# Coverage Insights

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## Employment Practices Liability Insurance

From the moment that you start the pre-hiring process until the exit interview, you are vulnerable to an employment-related lawsuit. As a result, your business should take a hard look at whether it can afford to defend itself against alleged wrongful employment practices accusations. If not, there is an insurance solution called employment practices liability that protects against wrongful termination, discrimination or sexual harassment suits from your current, prospective or former employees. This coverage applies to directors, officers and employees, and can sometimes extend to third party liabilities.

### Why Choose Employment Practices Liability Insurance?

According to researchers, three out of five employers will be sued by a prospective, current or former employee while they are in business. While many suits are groundless, defending against them is costly and time-consuming.

Employment practices liability policies provide protection from the following wrongful employment practices:

- Harassment
- Discrimination
- Actual or alleged wrongful dismissal, discharge or termination
- Employment-related misrepresentation
- Employment-related libel, slander, humiliation, defamation or invasion of privacy
- Wrongful failure to employ or promote
- Wrongful deprivation of a career opportunity, wrongful demotion or negligent evaluation
- Wrongful discipline
- Vicarious liability for intentional acts
- Punitive damages
- Coercion or humiliation in relation to race, marital status, gender, age, physical and/or mental impairments, pregnancy, sexual orientation, and any other protected class established by federal, state and local statutes

Many policies offer the following inclusions and add-ons:

- Consultation, HR assistance and other risk management consultative services.
- Coverage for defense costs outside the policy limits
- Third-party liability coverage
- Wage and hour coverage for claims alleging wage and hour violations
- Volunteer workers can be added as additional insureds
- Extended reporting periods may be added.

To learn more about employment practices liability coverage and how Garland-Sturges & Quirk can help protect your business, contact us today at (408) 227-9991.

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