

Employment Practices Liability

Coverage For Small Business Employment Claims

Even Small Businesses Can Face An Employment Claim

In today's workplace, small business owners must protect themselves from employment claims brought by their employees, leased employees, independent contractors, applicants for employment and even clients, customers and vendors. Discrimination, sexual harassment, wrongful termination are just some of the charges that employees and others can file at any time.

Exposures are increasing for every business, regardless of size. The workforce is as demographically diverse as ever. Social and cultural trends such as religious and political differences, the use of social media, and even telecommuting requests are changing the face of today's workplace.

It's Not Just About Federal Law

At the same time the legal environment is placing even more legal responsibility on business owners regarding these types of wrongful employment acts.

In addition to the federal statutes, businesses must be aware of state and local jurisdictional employment discrimination laws which typically provide even broader protection for the employee, not the employer.

State and local ordinances often have a broader list of protected classes beyond color, race, national origin, religion, age, sex and pregnancy such as weight, criminal background, sexual orientation, political affiliation, and others. And, under a number of federal statutes and state/local ordinance laws, compliance requires that all businesses and organizations, regardless of number of employees must comply with these laws. This means that no business, or organization is above the law.

Affordable Coverage Protection Against A Costly Surprise

In the past, only large companies could afford expensive stand-alone Employment Practices Liability (EPL) policies. Now quality protection is available to smaller businesses. EPL coverage from RAM Mutual Insurance is easy and affordable as an enhancement to Business Owners or Commercial Package Policy.

Highlights Of Coverage, Terms And Conditions

With EPL coverage, your small business clients will be covered for a wide range of costs including:

- Liability and defense costs (within the limit) from alleged wrongful employment practices brought by employees, leased employees, volunteers, independent contractors, applicants for employment - even clients, customers and vendors.
- Coverage for full prior acts.
- Punitive damages coverage (where insurable under state law).
- Coverage provided on a claims made and reported basis (most states), defense within limits and duty to defend basis.
- Third-party coverage for harassment and discrimination claims brought by business clients, customers or vendors.

Continued on next page.

RAM Mutual Insurance

16 East Hwy 61 • PO Box 308 • Esko, MN 55733
(218) 879-3321 • www.rammutual.com



**RAM MUTUAL
INSURANCE**

Additional Services

Your small business clients can also take advantage of these other EPL coverage services:

Risk Management:

- Legal advice helpline for business owners to obtain general employment guidance (usage does not erode limit).
- Loss prevention website with current, ready-made employment policies and procedures to keep clients in the know and to assist them in building effective human resources policies to mitigate their risks.

Claims:

- Claims managed by experienced EPL claim specialists.
- Defense provided by specialized employment law firms.

Limits Of Liability And Deductibles

Limits:

Coverage limit options are \$100,000 or \$250,000.

Higher limits available upon request.

Deductibles:

Range from \$2,500 to \$25,000.

Availability

- Provided as an enhancement to the Business Owners or Commercial Package Policy.

Eligibility

- Available for most classes of business on a coverage basis, excluding employee leasing firms, temporary help firms, private membership golf clubs, municipalities and schools.

Claim Examples

Claim Scenario 1

A small gift and flower shop owner was sued for pregnancy and gender discrimination when the claimant alleged that the employer had repeatedly treated her differently as a result of her gender and condition. The claimant provided several fellow employees who attested to the treatment by the employer.

Settlement: \$30,000; Legal fees: \$12,000

Claim Scenario 2

An applicant for employment alleged that a farm initially refused to hire her based on her gender, race and disability. After she repeatedly applied, she alleged that they begrudgingly hired her and then treated her poorly. She alleged that they forced her to work long hours even when she complained about her work conditions. The employee sued the farm.

Settlement: \$25,000; Legal fees: \$5,000+

Claim Scenario 3

At a local restaurant that provided take-out lunch service, a businessman of Middle Eastern descent alleged that the counter help made repeated derogatory remarks about his ethnic clothing and accent. The manager's investigation found the counter staff did make such comments, not only to this customer but to several others.

Settlement: \$12,000; Legal fees: \$12,000

Claim Scenario 4

An outside electrician was installing wiring at a local business. The female employee alleged he made sexually suggestive remarks about her appearance and clothing, and his comments became offensive. Despite no finding of wrongdoing, the electrician settled to resolve the matter.

Settlement: \$15,000; Legal fees: \$8,000

Quote Process Is Simple

- **NO** separate application needed for most quotes.
- **NO** collection of employee count required for most quotes.
- Premium based on a percentage of premium.

We're Here To Help

Your small business clients count on you to keep them protected from today's risks and challenges. You can depend on us to keep them up to date with contemporary coverage and services and keep you a step ahead of the competition.

Contact us today for more information about Employment Practices Liability.

RAM Mutual Insurance

16 East Hwy 61 • PO Box 308 • Esko, MN 55733

(218) 879-3321 • www.rammutual.com



**RAM MUTUAL
INSURANCE**