

WHY YOU NEED EMPLOYMENT PRACTICES LIABILITY



Law Firms (Maximum of 50 employees)

Services provided: Legal services and advice

Due to the nature of their work, law firms require Employment Practices Liability Insurance (EPLI) to protect themselves from potential financial losses and reputational damage. A law firm made up of lawyers and support staff provides legal services and advice to clients, so it's crucial to safeguard against financial losses from employment-related claims.

KEY EXPOSURES AND INSURANCE SOLUTIONS



Discrimination: Law firms can face discrimination claims from employees or applicants based on protected characteristics, such as race or gender. Firms must ensure fair employment practices to minimize risks, legal costs and reputational damage.



Harassment and Hostile Work Environment: Law firms must establish anti-harassment policies and safe reporting mechanisms to address claims, including sexual harassment, and avoid legal action, financial penalties, and negative impacts on reputation.



Retaliation: Law firms must respond appropriately to employee complaints, such as reporting discrimination or harassment, and avoid retaliatory actions, as these claims can lead to costly settlements and reputational damage.



Wage and Hour Compliance: Law firms must adhere to wage and hour laws, including overtime calculations and break requirements, to avoid employee claims, financial penalties, and potential litigation.



Wrongful Termination: Law firms should follow proper termination procedures and base terminations on legitimate, non-discriminatory reasons, such as performance issues, to minimize wrongful termination claims.

CLAIM EXAMPLES

Pay Equity: A female partner at a law firm discovered that she was consistently paid less than her male counterparts with similar experience and responsibilities. She filed a pay equity claim, alleging gender-based wage discrimination. The firm settled the case for \$150,000, conducted an internal pay equity audit, and implemented salary adjustments to ensure fair compensation for all partners. The pay equity case in the law firm, resulting in a \$150,000 settlement, underscores the significance of ensuring equitable pay practices across gender lines. The firm's response, including an internal pay audit and salary adjustments, demonstrates a proactive approach to addressing systemic pay disparities.

Harassment and Hostile Work Environment: A legal secretary filed a complaint against a law firm, alleging that a partner made inappropriate comments, engaged in unwanted physical contact, and created a hostile work environment. The firm settled for \$65,000, conducted anti-harassment training for all employees, and established a clear reporting mechanism for future incidents. The legal secretary's harassment and hostile work environment complaint highlights the necessity of fostering a respectful workplace culture in law firms. The firm's settlement and subsequent actions, including anti-harassment training and establishing a reporting mechanism, reflect important steps in preventing future incidents.



Retaliation: An associate at a law firm reported a colleague's unethical behavior involving client billing to the managing partner and was subsequently demoted and given less desirable assignments. The associate sued the firm for retaliation, resulting in a \$110,000 settlement and reputational harm to the firm, which also prompted an internal review of its reporting procedures. The retaliation case against the law firm, following an associate's report of unethical behavior, emphasizes the importance of protecting employees who report misconduct. The settlement and subsequent internal review of reporting procedures indicate the need for law firms to uphold ethical standards and protect whistleblowers.

Wage and Hour Compliance: A group of paralegals at a law firm claimed they were misclassified as exempt employees, working over 40 hours per week without receiving overtime pay. The firm faced a lawsuit and paid \$130,000 in back wages and penalties, leading to a review and adjustment of employee classifications and compensation practices. The wage and hour compliance issue involving paralegals at a law firm illustrates the complexities of employee classification. The firm's response, including paying back wages and adjusting classifications, highlights the importance of adhering to labor laws and properly classifying employees.

Wrongful Termination Claim: A law firm terminated an attorney shortly after they returned from parental leave, citing performance issues that were not documented prior to the leave. The attorney sued for wrongful termination, alleging the firing was related to their leave. The firm settled the case for \$85,000, reviewed its termination procedures, and provided additional training to managers on handling family leave situations. The wrongful termination claim after parental leave at the law firm points to the need for careful handling of leave-related employment decisions. The firm's settlement and review of termination procedures underscore the importance of documenting performance issues and training managers on family leave policies.



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