

REDEFINING PROTECTION – EMPLOYMENT PRACTICES LIABILITY INSURANCE FOR LAW FIRMS



In today's increasingly litigious climate, even the most reputable legal practices can find themselves entangled in costly employment-related disputes. Employment Practices Liability Insurance (EPLI) is the lifeline your firm needs to navigate the stormy waters of wrongful termination, discrimination, harassment and other workplace issues. This essential coverage provides financial protection and expert legal counsel, shielding your firm from the devastating consequences of employment-related claims. Don't let your hard-earned reputation and assets be jeopardized by unforeseen employment disputes – invest in EPLI and safeguard your law firm's future success.

USLI writes EPLI for law firms not involved in the entertainment industry and have up to 50 full-time equivalent employees.

WHY EPLI IS INDISPENSABLE FOR YOUR LAW FIRM

1. **A surge in employment disputes:** The legal industry is witnessing a significant rise in employment-related litigation. For instance, the Equal Employment Opportunity Commission (EEOC) received over 522,000 calls and emails to report workplace rights violations by employers in the U.S.
2. **Costly litigations:** Defending an employment lawsuit can be financially draining. The average cost for defending and settling such cases can be as much as \$150,000 or more depending on jurisdiction.
3. **Customized coverage for law firms:** EPLI policies for law firms are tailored to cover a wide array of employment issues, including claims of discrimination, wrongful termination and harassment. These policies offer features like third-party liability coverage and Fair Labor Standards Act (FLSA)/wage and hour violation sublimits.
4. **Optional integration with fiduciary liability:** Offering the possibility to include fiduciary liability, our policies provide a comprehensive coverage solution for your firm.
5. **Comprehensive defense costs coverage:** USLI's Employment Practices Liability (EPL) coverage ensures defense costs are covered over and above the retention amount and do not reduce the limit of liability, with a minimum policy limit of \$500,000.
6. **Proactive risk management:** Alongside your EPL policy, gain access to the USLI Business Resource Center. This resource center is not just a support hub; it's a proactive tool to reduce the likelihood of costly employment disputes. It offers expert HR consultations, online training tailored to reduce legal risks, industry-specific resources and tools for navigating complex HR landscapes.

REAL-WORLD CLAIM SCENARIO

Consider a mid-sized law firm specializing in commercial litigation. A junior associate, Emma, alleges that she was subjected to persistent sexual harassment by a senior partner. Despite her complaints, the firm's management failed to take adequate action, leading to a claim of retaliation alongside the harassment allegations. The situation escalates when local media outlets catch wind of the story, causing significant reputational damage to the firm. The EPLI policy of the firm swings into action, covering legal defense costs exceeding \$120,000 and a settlement amount of \$300,000. Without EPLI, the firm would have faced not only financial distress but also a tarnished reputation, potentially impacting its client relationships and future business prospects.

FAQS ON EPLI FOR LAW FIRMS

1. **Why is EPLI vital even for legal experts?** Law firms, despite their legal acumen, are not immune to employment disputes. EPLI offers crucial financial protection against costs arising from these disputes. Additionally, USLI's EPL policy includes access to an HR hotline and website, helping your firm navigate the complexities of employment law and maintain a healthy work environment. By investing in EPLI, you demonstrate a commitment to ethical business practices and safeguard your law firm's reputation, assets and future success.
2. **Who can initiate EPL claims against a law firm?** EPL claims can be brought by past, present and potential employees as well as third parties, including customers, vendors and clients. Employees or former employees who have experienced discrimination, harassment, retaliation, wrongful termination or other violations of their rights in the workplace can sue a law firm for employment practices liability.
3. **How does EPLI shield against unforeseen claims?** EPLI provides coverage for legal defense costs and settlements, safeguarding your firm's finances and reputation from the impacts of employment-related lawsuits.
4. **Don't I have other insurance that covers discrimination and harassment?** Most commercial general liability policies exclude coverage for actual or alleged employment practices violations. Business owner's policies (BOP) with EPL endorsements are very limited in scope and contain significant coverage deficiencies. They typically provide coverage for only a few named perils, provide insufficient limits of liability as low as \$5,000 or \$10,000 and may offer defense costs only.

COVERAGE FEATURES

- ▶ **FLSA:** \$100,000 sublimit for defense costs and loss in the event of wage and hour disputes except in California and Florida. \$100,000 sublimit for defense costs only available in Florida (not eligible in California).
- ▶ Option to include fiduciary liability on the same policy
- ▶ **Defense outside the limit:** We bear all covered defense costs above the retention and defense costs do not erode the limit of liability (minimum policy limit of \$500,000 must be purchased)
- ▶ Full prior acts available for most risks. We provide coverage for acts occurring prior to the inception of the policy that result in claims made during the policy period.
- ▶ Front pay and back pay are included in the definition of loss.
- ▶ Timely notice and resolution incentive (retention forgiveness)
- ▶ Lifetime occurrence reporting provision in EPL form for former directors and officers
- ▶ Business Resource Center includes a free HR hotline with unlimited number of calls and no time limits plus discounted HR services such as background checks and online HR training modules.

Sources: <https://amtrustfinancial.com/blog/insurance-products/top-trends-employment-practices-liability-claims> and www.employmentlawhelp.org/blog/eeoc-2023-statistics

For a quote, please contact Professional Lines (proflines@usli.com), 1-888-773-8754



Access Free and Discounted Business Resources

Every USLI policy comes with access to the Business Resource Center (BRC). Policyholders can save time and money by utilizing BRC resources so they can focus on growing their business. The BRC can help with hiring and training, navigating personnel issues, managing business operations and more.



bizresourcecenter.com

This document does not amend, extend or alter the coverage afforded by the policy. For a complete understanding of any insurance you purchase, you must first read your policy, declaration page and any endorsements and discuss them with your agent. A sample policy is available from your agent. Your actual policy conditions may be amended by endorsement or affected by state laws. USLI companies are members of the Berkshire Hathaway family of companies and have an A++ Superior rating for financial stability from AM Best. The insuring company names are United States Liability Insurance Company, Mount Vernon Fire Insurance Company, and U.S. Underwriters Insurance Company.