



**COVERAGE THAT BALANCES YOUR  
BEST EMPLOYMENT PRACTICES  
WITH SOLID PROTECTION AGAINST  
EMPLOYEE CLAIMS.**



Small details. Big difference.™



## EPLI FROM SOCIETY IS THE RIGHT WAY TO DEFEND AGAINST CLAIMS OF WRONGFUL EMPLOYMENT PRACTICES.

You strive to be fair and nondiscriminatory in your employment practices. But even a simple misunderstanding could expose you to an employee-related claim or allegation such as sexual harassment, discrimination, abuse or wrongful termination. Society's EPLI coverage provides powerful defense against such claims, should they occur.

## INSURANCE HIGHLIGHTS

### Employment Practices Liability Insurance (EPLI)

As a business owner, you may want to add EPLI coverage as an optional endorsement to your commercial package policy. EPLI coverage from Society Insurance is designed to protect your business from employee-related claims and allegations. In today's litigious business climate, this sort of protection can prevent a damaging claim from effectively putting you out of business. With features such as these, you'll benefit from one of the most comprehensive EPLI programs available.

- Claims-made trigger
- Coverage limits from \$50,000 to \$1,000,000
- Liability coverage extended to cover actions by your employees directed at non-employees
- Coverage for broadly defined wrongful employment practices:
  - No exclusion for sexual harassment
  - No exclusion for retaliatory action against "whistle blowers"

## PREVENTING LOSSES

Employee background checks are a business necessity, but it is not easy to conduct a proper and fair background check on your own. There are a number of legal considerations; hire a reputable agency to help. Society Insurance policyholders receive discounted rates on IntelliCorp's employment screening products and services, making it easy and affordable to get comprehensive background checks that can help you make smart decisions for your business.

Background checks can help you:

- Ensure the quality and retention of your new hires, minimizing risk
- Reduce loss due to sexual offenses, violence and theft
- Increase safety within your business and the public

Intellcorp background checks follow the Fair Credit Reporting Act (FCRA) rules and regulations and can:

- Reveal whether someone has been convicted of a crime or engaged in an inappropriate act
- Help determine if an applicant was honest on their job application
- Reduce turnover by identifying employees with questionable work histories
- Ensure safe recruiting and hiring practices
- Establish criteria to evaluate background check results and determine what will define disqualifying information

To learn more, visit [www.societyinsurance.com/risk\\_control/alliances.aspx](http://www.societyinsurance.com/risk_control/alliances.aspx).



## CLAIMS EXAMPLES

### Whistleblowing

After an employee is discharged, he files a lawsuit alleging harassment in retaliation for reporting supervisor thefts to corporate headquarters.

### Retaliation

An ex-employee alleges he was wrongfully terminated in retaliation for filing a workers compensation claim.

### Gender Discrimination

A female employee with years of experience at your business files a lawsuit alleging that she was repeatedly bypassed for promotions in favor of male employees.

### Improper Background Checks

A background check conducted on an employee returns a criminal record. Although the company did not provide a “pre-adverse action notice,” the employee is fired. When he receives the notice and a copy of the background check, he realizes the check was conducted improperly and the criminal records were not his. He files a lawsuit.

### Wrongful Termination

A long-time elderly employee is dismissed after months of performance problems and several warnings. The employee files a lawsuit alleging she was terminated due to her arthritis.

### Third Party Racial Discrimination

A group of customers are causing a scene and an employee asks them to leave. The group alleges that they were targeted because of their race and file a lawsuit.

### Third Party Sexual Harassment

A male employee makes sexual advances towards a female customer. She files a complaint demanding that the employee be fired. When no disciplinary action is taken, she files a lawsuit alleging that the company was advised of inappropriate conduct but did nothing to prevent future actions.

## MYTHS VS. FACTS

Business owners typically consider property, general liability and workers compensation as necessary insurance policies to protect their assets. With the incidence of employment claims widespread and growing, EPLI should be an important consideration.

**Myth: Our employee handbook is clear, so we don't have to worry about an employment practices liability (EPL) claim.**

**Facts:** An employer with superior internal controls and procedures can still encounter lawsuits. Every business has an EPL exposure, and even frivolous claims can require a significant investment of your time and money to hire skilled legal counsel to defend your business.

**Myth: EPL claims aren't that common, so our company is unlikely to be affected.**

**Facts:** Studies show an employer is more likely to have an EPL claim than a general liability or property loss. Claims for sexual harassment, wrongful termination and discrimination continue to be on the rise; almost 75 percent of litigation against companies today involves employment disputes.<sup>1</sup>

**Myth: EPL claims are only a concern for big companies. We are too small to have an EPL claim.**

**Facts:** More than 40 percent of all EPL claims are filed against private employers with less than 100 employees, and employment-related lawsuits are the fastest growing type of civil case in the U.S.<sup>1</sup>

**Myth: We can't afford this additional coverage.**

**Facts:** Based on these trends, a business owner can't afford to go without this coverage. Without EPLI, a costly claim can seriously impair or permanently shut down your business.

## WHY EPLI?

- Over the last 20 years, employee lawsuits have risen 400 percent.<sup>2</sup>
- Small and medium-sized businesses face an almost 12 percent chance that they will be hit with an employment claim. Chances are much higher in certain states — 20 percent in Tennessee and 34 percent in Illinois.<sup>3</sup>
- The financial damage of employee lawsuits can be dramatic; the cost of settling out of court averages \$75,000, and the average jury award hits \$217,000 if you go to court and lose.<sup>2</sup>
- Average court costs and legal defense fees can reach as high as \$200,000 and resolution may take 18 to 24 months.<sup>2</sup>

## We focus on the small details.

For more information about the variety of services and coverages Society can offer your business, including workers compensation, commercial automobile and umbrella policies, give us a call at 888-576-2438 or use our agent locator at [societyinsurance.com](https://www.societyinsurance.com) to find an independent agent near you.



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