

Coverage FAQs

What is employment practices liability?

The liability that all employers face arising out of discrimination, harassment or a broad range of inappropriate employment conduct such as wrongful termination of an employee, a former wrongful termination or an applicant for employment.

Are small companies exempt from EEOC regulations?

Federal laws for discrimination and harassment only apply to larger employers (>15), but state and local law employee protections may result in liability & compliance issues and associated costs for all employers.

Why do my clients need employment practices liability insurance?

As part of a sound risk management program, all employers, large and small, need to manage the exposures inherent in an employee/employer relationship. They need to establish employment related policies and procedures and an employee handbook. Often, they are required to provide supervisor training on workplace and sexual harassment, and they need to be able to navigate through the administrative and legal procedures should a claim or complaints arise. The employer needs to be able to transfer the risk of substantial legal costs and judgements arising from employment related claims. These are just some of the reasons your clients need UBI EmployersProtect.

What if my client says, "I never discriminate against my employees why would I need insurance?"

A large portion of disputes are frivolous and the employer must prove their innocence. It is important to note that UBI EmployersProtect is a 'duty to defend' coverage, so we are there to help your clients navigate these situations. The employee is unlikely to fully understand the law and will assume that their definition of unfair treatment is always unlawful treatment. Defending these claims can be complicated and costly, so they would want a qualified insurance firm to aid them in this process.

Aren't employment practices covered under the General Liability policy?

Many policies used to cover elements of EPL, however, the significant rise in both the frequency and severity of these claims has led to blanket exclusions on policies designed to cover other perils.

What's included in the coverage?

The employer's defense costs, damages, judgements, settlements and the plaintiff's statutory attorney fees arising out of employment-related Discrimination, Harassment and Inappropriate Employment Conduct.

Do you provide for Third Party & Punitive Damages?

Yes, we can provide this coverage through our Enhanced Coverage. However, certain classes will not qualify for this enhanced version of coverage. Please see the Features for Rates section for these exclusions.

What are the coverage exclusions under the Standard Coverage?

- Punitive damages: amounts awarded against an employer that is found to have inflicted intentional harm.
- Third Party discrimination and harassment
- Prior knowledge: the policy will not cover disputes that are already known to the employer.

How much does it cost?

UBI EmployersProtect is offered at rates between \$32 and \$86 per employer, depending on the coverage and class of business. These rates include the cost of an HR hotline and online compliance tools.

How do I calculate a Full-Time Equivalent?

Full-time salaried employees are considered Full-Time Equivalents (FTE) for purposes of calculating premium. A part-time employee would be 50% of the FTE rate, meaning each part-time employee counts as half a full-time employee. Simply add the total number of FTE's and part-time employees to the nearest round number.

UBI EmployersProtect: EPLI Frequently Asked Questions – AGENT

Underwriting Guideline FAQs

What are the requirements?

The employer must have 100 employees or less. They are then eligible for the standard coverage with limit options of \$100,000 and \$250,000. Should the employer request third party and punitive damages coverage, or a limit of \$500,000 or \$1,000,000, a short form application is required. The employer must have no history of EPL claims or disputes over the last five years in order to qualify for this preferred pricing.

How do I request EPL coverage?

In most states, depending on your class of business, UBI will automatically add a limit of \$100,000 with a \$5,000 self-insured retention to your policy. Some classes are excluded and some state requirements will vary on the limit and automatic roll-on coverage. In IL, the coverage is not automatic, so the insured would need to complete a short application, and you, the agent would need to submit to underwriting. In AR, NM, and LA, the states require that we offer a minimum \$500,000 limit with \$5,000 self-insured retention, so those states will have an automatic roll on of this higher amount.

When are applications required? Are they difficult to complete?

Applications are required when requesting limits of \$500,000 or more unless a state exception was noted in the above question. Applications are also required for all requests of Enhanced Coverage. These applications are only one page with four questions. For those companies with more than 100 employees, a full six-page application is required to be submitted to Underwriting referral.

Do you offer EPLI on a stand-alone basis?

No, at this time we are only offering this coverage to our clients who have their GL coverage placed with UBI.

What if my client decides they do not want the coverage?

Although we strongly believe that all companies need this protection, if the insured decides not to take the coverage when it has been automatically rolled on to the policy, just send us the rejection form signed by the insured and it can be removed.

Special Services and Claims FAQs

Can the agency use the online HR program?

Yes! As a thank you to our agents, we are giving them full access to the online services to use absolutely free of charge.

What are the benefits of using the EPL Hotline?

The EPL hotline is managed by a staff of Labor Law Specialists who focus in EPL. The service is free, and their guidance can be very helpful in preventing these types of claims. In addition, if the client contacts the EPL hotline or another approved Labor Law Specialist before

they terminate, demote, or layoff employees and follow the guidance given, the self-insured retention will be reduced by 50% if a claim arises out of these actions.

How are the claims handled?

UBI arranges claims to be handled by dedicated claims adjusters who are specialized in EPL. The adjuster will personally contact the insured within 24 – 48 hours of a claim notification. To report a claim, please follow usual procedures for your Commercial Package Coverage.



UBI

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