

## Coverage FAQs

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### **Aren't small companies exempt from EEOC regulations?**

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

### **Why do I 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 you need UBI EmployersProtect.

### **What kinds of complaints are covered?**

Alleged sexual harassment and/or wrongful termination and/or (most often) discrimination based on sex, race, age, nationality, religion, etc. These complaints often arise because the plaintiff feels that they were turned down for a pay raise or unfairly treated, or as a direct result of being terminated. Often the claims will come from applicants who allege that discrimination was the main reason that they did not get the job.

### **If I never discriminate against my employees why would I need insurance?**

A large portion of disputes are frivolous, (something

like 60%) and are eventually proved to be false. However, the employer must prove their innocence. It is important to note that UBI EmployersProtect coverage is a 'duty to defend' coverage, so we are there to help our clients navigate these situations, frivolous or otherwise. 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 you would want a qualified insurance firm to aid in this process.

### **Aren't employment practices covered under my General Liability policy?**

In the past, many policies covered some elements of employment practices liability (EPL), however, the significant rise in both the frequency and severity of these claims has led to blanket EPL 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 coverage for Third Party and Punitive Damage claims?**

We will provide this coverage in certain circumstances. Please contact your agent for further details.

### **What are the coverage exclusions under the standard coverage form?**

See the form, but significantly:

- Punitive Damages – amounts awarded against an employer that is found to have inflicted intentional harm.
- Workers' Compensation – EPL does not cover physical harm to an employee.
- Prior knowledge – the policy will not cover disputes that are already known to the employer.

# UBI EmployersProtect: EPLI Frequently Asked Questions – INSURED

## Coverage Requests FAQs

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### How do I request EPL coverage?

In most states, depending on your class of business, UBI, a Division of AmTrust North America, 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. Contact your agent for specifics.

### Do I have to complete long, complicated applications?

No, our applications are only one page and are very straightforward. In fact, if the coverage is automatically rolled on by the company, no application is needed at all.

### What if I decide I do not want the coverage?

Although we strongly believe that all companies need this protection, if you decide you do not want the coverage when it has been automatically rolled on to your policy, just send us a signed rejection form and it can be removed.

## Special Services and Claims FAQs

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### Does the company have any HR tools I can access?

YES! Included in the price of your premium, UBI, a Division of AmTrust North America, offers an EPL Hotline and an online tool.

### What is the EPL Hotline?

The EPL Hotline is a 1-800 number that is managed by Labor Law Specialists who focus in EPL. As an insured of UBI, a Division of AmTrust North America, you may contact these specialists for free advice on EPL related issues. As an added advantage, if you contact the EPL Hotline prior to terminating, demoting, or laying off employees to get advice as to the best way to handle these situations and follow the advice given; and then an EPL claim arises out of these actions, UBI will reduce your self-insured retention by 50%!

### What is the online tool?

The online tool called UBI EmployersProtect, is a website that provides HR tools including online training

for employers and employees on HR related issues, informational articles, a knowledge vault, and much more. For complete details, speak to your agent or refer to the specific marketing document from UBI.

### How do I get access to the EPL Hotline and UBI Protect Website?

Once you have EPL coverage with UBI, a Division of AmTrust North America, the company will send you all the information needed to access these programs. The website for UBI EmployersProtect is [www.UBIProtect.com](http://www.UBIProtect.com)

### How are the claims handled?

The claims will 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.



UBI

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