

EXECUTIVE RISKS

Employment Practices Liability Insurance

Protect your organization from employment-related lawsuits with Coalition's Active Insurance coverage



\$70,000

The average cost of an EPL claim for small businesses

Any company with employees (even just one or more) faces the risks of employee allegations and lawsuits. Unfortunately, small or new businesses are the most vulnerable to employment claims. This is simply because small businesses don't have the experience or expertise to successfully handle recruiting, hiring, managing, or firing employees. Now you can elevate your protection against employment-related risks with Active Insurance, protecting your organization before, during, and after (in the event of) an EPL related incident.

Small businesses and nonprofits need to protect their employees and their bottom line

According to a recent [Coalition survey](#), more than 3 in 5 businesses (62%) bought insurance coverage directly as a result of COVID-19. The problem is that small businesses are having trouble finding coverage that works for them. Roughly one-third (32%) said they weren't able to fully buy insurance that covers EPL, despite having inevitable EPL exposures.

*A survey of 1,000 senior executives at companies with 1-250 employees by Wakefield Research for Coalition

Common misconception:

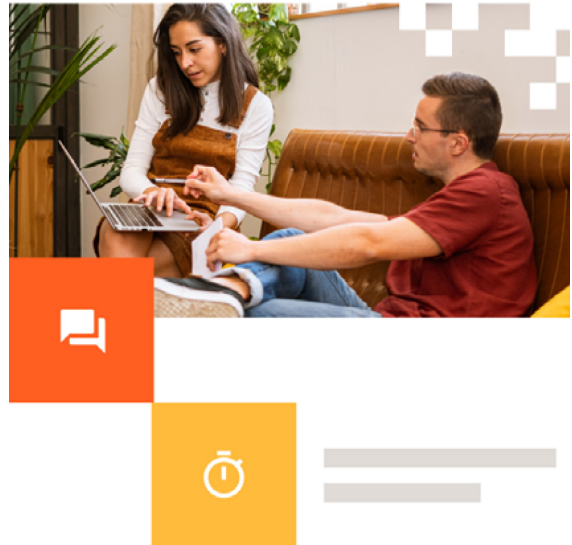
46% of businesses claim not to purchase EPL insurance because their business is too small to need it!

Why you need EPL insurance

You might be surprised to learn that your General Liability Insurance doesn't cover employment-related lawsuits. EPL provides coverage when there are accusations or incidents of:

- Wrongful Termination
- Discrimination
- Harassment
- Negligence
- Retaliation
- Compensation disputes

If someone sues your company, you'll face attorney fees and court costs — whether or not your company is found liable. Not only that, if the court sides with the plaintiff, you'll need to pay settlements, too. Coalition EPL insurance covers these costs so your business can stay secure.



What exactly does EPL cover?

An EPL policy is triggered whenever there's a case related to employees and applicants. While every claim is unique, the most common allegations include harassment, discrimination, and wrongful termination.

More nuanced insurable accusations can range from falsified reports or threats to unfair performance reviews and more. If an employee brings suit, expect your EPL policy to cover legal fee payments and settlements if the company is found liable.

What EPL doesn't cover

While EPL covers allegations related to unlawful behavior toward employees, different insurance types might be better for other kinds of worker-related cases. For example, EPL doesn't cover:

- **Poorly-managed employee benefits:** Can be covered by Fiduciary Liability insurance
- **Workplace injuries:** Covered by Workers' Compensation
- **Financial mismanagement:** Can be covered by Fiduciary Liability Insurance or Directors & Officers Insurance

Real-world claims examples



Industry: Construction
Employer size: 65 employees
Revenue: \$2.75M

A construction company agreed to **pay \$38,000** to settle a lawsuit filed in Florida alleging sex discrimination based on its decision not to hire a well-qualified female applicant. The lawsuit alleged that the woman who applied as a heavy machine operator had over 20 years of relevant work experience but was denied employment and told by a supervisor that the company “does not hire women.”



Industry: Gaming
Employer size: 195 employees
Revenue: \$45M

A gaming company **agreed to pay \$3.5 million** to settle a lawsuit filed in Nevada alleging disability discrimination. According to the lawsuit, the company maintained a policy of requiring employees with disabilities or medical conditions be 100% healed before returning to work. The lawsuit alleged that this policy did not allow for engagement in an interactive process or providing reasonable accommodations for disabled employees. The lawsuit also alleged that the company fired and/or forced employees to quit because they were regarded as disabled.



Industry: Legal
Employer size: 110 employees
Revenue: \$20M

A law firm **agreed to pay \$30,000** to settle a lawsuit filed in Colorado alleging pregnancy discrimination against a former legal assistant. According to the lawsuit, approximately 10 days after being hired, the assistant disclosed her pregnancy. The law firm terminated the assistant the next day after certain members of the firm allegedly asked her whether she suffered any complications from the pregnancy, if she intended to “keep the baby,” and whether she was acting as a surrogate.



Industry: Manufacturing
Employer size: 20-50 employees
Revenue: \$5-10M

A jury **awarded \$200,000 to three former employees** of a manufacturing company who alleged that they were subjected to racial harassment and discrimination. The lawsuit, which was filed in Texas, alleged that executives used racial slurs and that a noose was found in the workplace after it was discovered that the employees filed an EEOC charge.



Industry: Nonprofit
Employer size: 11-50 employees
Revenue: \$1.5M

A nonprofit that provides services to veterans **agreed to pay over \$150,000** to settle an age discrimination lawsuit filed in the District of Columbia. According to the lawsuit, officials of the non-profit repeatedly questioned two long-standing employees about their retirement plans and purportedly reclassified their jobs in an effort to fire them and replace them with younger workers.

Why choose Coalition for EPL insurance?

Coalition is the leading provider of commercial insurance for small and midsize businesses, combining comprehensive insurance and active risk management tools. Coalition is also the world's first Active Insurance company, designed to prevent digital risk before it strikes. Unlike traditional insurance, created only to cover and transfer risk when the worst happens, Active Insurance combines technology and traditional coverage to provide continual risk assessment, protection, and response to address risks that move at digital speed.

EPL Insurance products offered by Coalition are underwritten by Zurich American Insurance Company, an A.M. Best A+ rated insurer. Our Coalition Control platform, offered at no additional cost to all policyholders, provides automated alerts, expert guidance, and tools to help organizations proactively manage risk. Companies with one or more employees face unique challenges to navigate employment-related disputes, and in today's digital economy, even the smallest organizations are not immune to risk. **Get comprehensive EPL coverage with Coalition.**

Incidents happen, which is why you have insurance in the first place. Join thousands of other organizations who rely on Coalition to provide industry-leading coverage and in-house assistance.

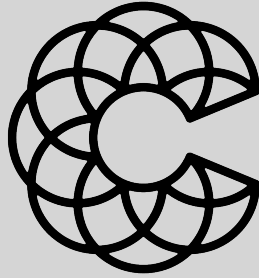


"I never thought I'd say I was passionate about an insurance platform, but what you guys have built is exceptional."

— VERIFIED COALITION POLICYHOLDER

Ready to protect your business?

To learn more visit www.coalitioninc.com



Coalition[®]

COALITIONINC.COM

COALITION INSURANCE SOLUTIONS, INC.

44 MONTGOMERY STREET, SUITE 4210, SAN FRANCISCO, CA 94104

HELP@COALITIONINC.COM

Insurance products are offered in the U.S. by Coalition Insurance Solutions Inc. ("CIS"), a licensed insurance producer and surplus lines broker (Cal. license # 0L76155), acting on behalf of a number of unaffiliated insurance companies, and on an admitted basis acting on behalf of Zurich American Insurance Company (NAIC # 16535). See [licenses](#) and [disclaimers](#).

Copyright © 2024. All rights reserved. Coalition and the Coalition logo are trademarks of Coalition, Inc.