

Employment Practices Liability Insurance in Today's Workplace

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Employment Practices Liability Insurance (EPLI) provides protection for an employer against claims made by employees, former employees, or potential employees. It covers discrimination, wrongful termination of employment, sexual harassment, and other employment-related allegations such as wage and hour claims. EPLI claims have seen a quick rise with many employees trying to get ahead quickly and unjustly in the tough economy that we are all experiencing.

In a 2010 ELT, a company specializing in ethics and work place compliance training conducted a survey with over 1800 senior legal and HR professionals. The survey showed that one-third of professional services companies had been hit with a wage and hour claim in the past year. Additionally, according to the Department of Labor, approximately 80 percent of employers are out of compliance with federal and state wage and hour laws.

With EPL claims, the proof of burden always falls on the employer to prove that they are innocent. Average EPL defense costs have recently reached over \$45,000, while out of court settlements average over \$40,000. For those cases that have gone the distance, the median compensatory award recently hit over \$218,000, with as many as 10 percent of wrongful termination claims resulting in awards over \$1,000,000. Settlements and defense costs can also be awarded for claims that are considered bogus or false. Just because you are doing everything right doesn't mean someone will not be looking for a short cut at your expense.

An EPLI program has been created for the Home Care Industry that is much more affordable because the program considers per diem employees as one-fourth an employee for premium computation purposes. In the on-going battle to protect your company, this is a good way to keep the costs down while getting proper protection against EPLI claims, which is essential in today's workplace.

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