

More and more companies are finding out the hard way, just how complex the relationship between an employee and an organization can be. Employment-related claims for harassment, discrimination, wrongful termination, retaliation, defamation, unfair hiring practices, and other workplace torts – are steadily rising. Employment-related claims can have a serious financial impact on a company or organization's bottom line. The Employment Practices Liability insurance (EPL) is one of a suite of seven insurance coverage parts under *The ForeFront Portfolio* policy, providing flexible coverage with the exposures of private companies, not-for-profit organizations, and healthcare organizations in mind.

Why do you need Employment Practices Liability insurance?	
Misconception	Reality
If my company was involved in an EPL lawsuit, we could easily absorb the costs associated with such a claim.	An EPL charge can tarnish company image, dampen employee morale, and hurt employee recruiting and retention efforts. EPL insurance that includes loss prevention services can help your company reduce its chances of being sued in the first place and strengthen your company's legal defense in the event it is sued.
I have other insurance policies that will pick up employment practice lawsuits.	Workers' compensation, business owner policies, professional liability policies, and general liability policies may specifically exclude liability for employment practice related lawsuits.
Since we have an employment handbook and policies in place, we don't have any exposure.	While defense and documentation are a top priority, they will not stop an employment claim.

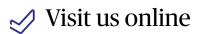
## **Employment Practices Liability Coverage Highlights**

- Policy provides coverage for EPL claims brought by past, present and prospective employees, and independent contractors
- Broad definition of Employment Practices Wrongful Act addresses an evolving legal landscape
- Defense provision optionality built into the form, including Duty to Defend by Chubb
- Early Engagement Expense Coverage: pre-matter expense, pre-tender expense, or early settlement opportunity costs
- Written Request to Toll or Waive a Statute of Limitation Coverage
- Integrated Global coverage and capabilities, with access to our Global network and affiliated broker partners for locally admitted policies, where permissible by law
- Access to ChubbWorks<sup>SM</sup>, a free online resource for Chubb EPL policyholders, providing access to comprehensive loss prevention tools to help address and prevent employment and employee issues

## **Employment Practices Liability Claims Scenarios Summary Claim Details** Resolution ABC International terminated a long-time manager for alienating employees and customers and for his disinterest in his job. The manager was 59 years old Although ABC when the termination took place, and ABC checked off "other" instead of International believed "poor performance" on the termination form as the reason for the termination. it was innocent of the The manager filed a charge of discrimination with the Equal Employment allegations, the case Age Discrimination Opportunity Commission, alleging he was terminated because of his age. eventually settled out of In his charge, he stated that he had always received regular merit pay increases, court for \$250,000 with was replaced by a worker in his 30s, and that some members of senior more than \$60,000 in management had made comments about needing "to get rid of the old guys." defense costs. The manager subsequently filed a lawsuit against the company seeking two years of lost wages and benefits, as well as compensation for emotional distress. A mid-level supervisor with a long history of documented performance issues was terminated for smoking in a restricted area of the company's building where flammable chemicals were stored. The terminated employee, who was The company settled 54 years old, responded by suing the company for wrongful termination. with the former Wrongful He alleged age discrimination based on comments made by his supervisor, employee, paying **Termination** like "You're too old," and disability discrimination because the company \$350,000, but not before refused to make work accommodations related to his high blood pressure. it had paid \$130,000 in He also alleged he could only be terminated for good cause. The plaintiff sought defense costs. back pay, front pay, special damages and attorney's fees, totaling an estimated \$275,000, in addition to punitive damages. A well-known not-for-profit with a national presence was reported to have complaints of systemic sexual harassment, assault, battery, gender This matter was resolved discrimination, sexual predation and retaliation asserted by more than 30 confidentially and prior Sexual Harassment/ female claimants against the CEO and other members of leadership over more Gender to the filing of a public than a 10 year period. The claimants, represented by a well-respected law firm, Discrimination lawsuit for under made a multi-million-dollar demand (\$1,800,000) and sought to effectuate \$1,000,000. change throughout the organization and leave their mark on policies and practices that would prevent future alleged violations.

## The ForeFront Portfolio

The ForeFront Portfolio is part of an evolution in one of Chubb's market-leading series of management liability products that have been specifically tailored to meet the individual needs of private companies, not-for-profit organizations, and healthcare organizations. With up to seven optional coverage parts, each coverage part works as a standalone policy or seamlessly together to minimize gaps and reduce overlaps in insurance coverage, providing companies choice and flexibility to help manage their individual and corporate exposures. It is a comprehensive insurance solution specifically designed to help companies not only survive, but thrive despite the most complex threats of litigation, extortion, and other white-collar crimes that may expose their bottom line.



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The claim scenarios described here are intended to show the types of situations that may result in claims. These scenarios should not be compared to any other claim. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued and applicable law. Facts may have been changed to protect privacy of the parties involved.

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