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## **Know your employment practice liability**

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Employment practices liability insurance (EPLI) covers allegations of discrimination, wrongful termination and sexual harassment of employees. Over a period of 15 years when many insurance companies started taking large claims, EPLI became an insurance product for many businesses.

One of the common EPLI violations include discrimination based on sex, age, race, religion or other factors of sexual harassment, wrongful termination, and a variety of other employment related claims which violate employees civil rights of their ability to perform their job.

These types of claims are extremely expensive to defend against and sometimes hard to prove. It is not necessary for a policy to cover all exposures as long as the employer understands and treats the uncovered exposures by other methods. Developing clear communications and solid training of personnel is absolutely essential. Of course the best manner of treatment is minimizing exposure and prevention.

Employment practices liability insurance may be added by an endorsement to the directors and officers liability insurance, which are claims that allege misconduct by the officers of a company against individuals effected by the directors actions.

Recent studies found epli suits in some states topped \$5 million. This is even more reason to purchase this vital protection and add it to your insurance portfolio.

Some EPLI policies do not cover all forms of employment, therefore it is very important that you consult with your insurance agent to dicusss your individual needs.

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