

Employment Practices Liability Insurance

February 2024



Why buy Employment Practices Liability insurance?

The costs of defending an employment claim can escalate quickly and are increasing significantly with inflation. EPL insurance can help cover those costs including settlement sums, damages, and investigation costs.

EPL ensures that directors who become involved in employment actions, receive expert preparation and defense against a wide range of alleged violations. Cover is also available for public relations expenses, limiting the reputational damage a company may suffer when responding to an employment claim. EPL can be tailored to the needs of the company through defined extensions such as providing pre investigation cover or court attendance costs.

What does Employment Practices Liability insurance cover?

Employment Practices Liability protects a company, their managers and employees against the financial risk resulting from employment related claims. EPL insurance can cover (but not limited to) harassment and sexual harassment, emotional distress, discrimination, negligence, refusal of promotion and unfair dismissal. EPL Insurance can provide cover for fees for such events listed above, expenses and compensation awards including punitive damages arising out of alleged or actual wrongful employment acts.

To discuss your Employment Practices Liability insurance requirements and for more details contact your Lockton team.

Where do EPL claims come from?

EPL claims originate from the increasing pressure organizations are facing to cultivate a more diverse and inclusive workplace. Acceptance of different societal developments such as #Me Too is imperative to creating an open and less hostile work environment. Events such as the COVID-19 pandemic have increased scrutiny around board's redundancy policies and have highlighted concerns around discrimination and wrongful termination.

Claims can also be triggered by:

- Age, race and gender discrimination e.g. the failure to hire people of a certain age, deprivation of career opportunities due to race, promotion of a gender pay gap
- Breaches of employment law such as a breach of employee privacy
- Sexual harassment cases

Deprivation of a career opportunity e.g. failing to promote an employee without reason

Contact Michael Lea

E: michael.lea@lockton.com

Jo Newman

E: jo.newman@lockton.com

Ian Nichol

E: ian.nichol@lockton.com