



MUTUAL OF
ENUMCLAW
INSURANCE
EST. 1898

EMPLOYMENT-RELATED PRACTICES LIABILITY (EPL) Frequently Asked Questions (FAQs)

What is Employment-Related Practices Liability Insurance?

- Mutual of Enumclaw's Employment-Related Practices Liability (EPL) insurance protects eligible Commercial Business and Agribusiness employers from employee's claims alleging such acts as:
 - Violation of Privacy
 - Pregnancy Discrimination
 - Racial Discrimination
 - Retaliation
 - Sex Discrimination
 - Sexual Harassment
 - Disability Discrimination
 - Age Discrimination
 - Defamation
 - Religious Discrimination
 - Wrongful Failure To Promote
 - Wrongful Termination
 - Wrongful Refusal To Employ
 - Wrongful Demotion or Discipline
 - Wrongful Deprivation of Career Opportunity
- EPL insurance pays for liability damages and defense costs due to such charges brought by full-time, part-time, temporary, seasonal or former employees.

Why do small businesses need EPL coverage?

- About 50 percent of EPL charges are filed against small businesses. Employment laws that employees may use as a basis for action against their employer apply to the majority of businesses including small firms.
- Even groundless employment charges may require legal defense, the cost for which is potentially significant – often \$10,000 or more. Insureds need EPL coverage to have such defense costs covered and to get access to specialized attorneys experienced in defending employers from employment-related charges.
- Small businesses often don't have Human Resource departments to develop formal personnel policies and procedures necessary to help prevent employment-related charges.

Why would a well-run business need EPL insurance?

- No matter how well insureds run their businesses, an employee can allege anything at any time.
- Employers need to defend themselves from employment-related charges, even if the charges are without merit.
- EPL coverage pays for defense costs even when the charges are groundless. Defense costs can be significant, well beyond what many small businesses can afford to pay.

Can the EPL endorsement provide coverage for claims brought by customers and other non-employees?

- Yes. Coverage can be added for an additional premium, subject to an EPL Application and underwriting approval, for third party claims and/or claims brought by independent contractors.

Is the EPL coverage written on a claims-made or occurrence basis?

- EPL coverage is written on a claims-made and reported basis, meaning that a ***claim must be made against the insured*** and reported to Mutual of Enumclaw within the policy period (or within a subsequent renewal period assuming there has been continuous coverage) and the ***wrongful act must have occurred*** after the effective date of the first policy where EPL coverage was provided by Mutual of Enumclaw.

Does the EPL limit include defense costs?

- Yes. Defense costs are included **within** the limit of liability. That means that the limit is reached by a total of both defense costs and indemnity payments.

Employment-Related Practices Liability Coverage was automatically added on to my renewal policy, do I need to submit an application?

- For the small business account, an application is not required unless a limit greater than \$100,000 or a deductible greater than \$5,000 is requested.

What limits and deductibles are available?

- We automatically include \$100,000, subject to a \$2,500 deductible on all eligible risks. An optional \$5,000 deductible is also available.
- Those risks not eligible for the \$100,000 automatic limit include policies with Commercial General or Farm liability premiums over \$9,000 or Businessowners policies with premiums over \$9000. . Eligible classes have the option to submit an application and choose their limits and deductibles. Limits available are: \$100,000; \$250,000; \$500,000; and \$1,000,000. Deductible options of \$2,500 (with \$100,000 limit only); \$5,000; \$10,000; and \$25,000 are available with these limits.

Do I need to complete an application every year?

- Yes, a renewal application will need to be completed each year for risks that do not qualify for the automatic roll-on coverage in case there were any significant changes during the prior year.

Are there any classes that are ineligible for the program?

- Yes. The following classes are ineligible for EPL coverage:
 - Accounting firms
 - Casinos
 - Employment Agencies, Temporary Help Firms and Employee Leasing Firms
 - Governmental Services, including municipalities
 - Hospitals, other than veterinary hospitals
 - Law Firms
 - Medical or nursing facilities, including emergency care clinics
 - Medical Offices
 - Oil and Gas Firms
 - Public Schools and Universities
 - Security Firms
 - Auto Dealers

Are there any classes where coverage won't be added on automatically at renewal?

- Yes. EPL coverage will not be added to policies where the only class of business is Vacant Land, Vacant Buildings, Dwellings or Building – Lessors Risk Only. However, coverage is available upon request.

What types of risk management services are available?

- At no additional cost, Mutual of Enumclaw's EPL program provides both agents and policyholders with access to an online risk management website with support provided by the McCalmon Group. This website provides the insureds with guidance on workplaces issues for purposes of averting costly claims and legal expenses.
- Also provided for the policyholder is access to a legal hotline where the insured can get guidance from experienced employment attorneys. A toll free number is provided, there are no fees for services, and no limit on the number of calls, and the attorneys are familiar with Mutual of Enumclaw's EPL program.

How will this protect our agency from an E & O claim?

- The Mutual of Enumclaw EPL program allows you to provide your insureds with meaningful coverage at an affordable premium in a very easy to administer manner. Coverage not only protects insureds, it also protects your agency. If an insured suffers a loss and this coverage was not offered, your agency may have an increased exposure to an E & O claim.

This announcement is designed to provide a simplified description and general overview of Mutual of Enumclaw's new coverage offering. The information contained in this announcement is not and does not become a part of any policy, does not provide any coverage, and is not intended to, nor can it be construed to, describe, replace, modify, revise, amend, clarify, or change in any way, any policy provision, condition, limitation, exclusion, or term of any insurance policy. Only an insurance policy issued by Mutual of Enumclaw contains all of the insurance terms and provisions necessary to completely define the nature, intent, application, and/or scope of the coverage provided. The actual extent and/or scope of coverage received may differ from the coverage described in this announcement based on customer request, statutory requirements, or individual state regulations. Furthermore, the coverage described in this announcement may not be available in all states. Please note that in any coverage situation, the language and provisions of the policy, and not information contained in this announcement, shall prevail. Coverage for claims will be determined on their own merit. Your Mutual of Enumclaw's agent or broker can offer you professional advice and answer any questions you may have before you make any decisions regarding your insurance needs.