



NEW ENGLAND INSURANCE SERVICES, INC.

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Employment Practices Liability Insurance (EPLI)

The number of employees alleging discrimination, wrongful termination, sexual harassment and retaliation has increased. An EPLI policy shields employers from claims of harassment, discrimination, failure to hire, wrongful termination and includes all current, former, and prospective employees, directors and officers, and the corporate entity. The cost of EPLI coverage varies depending on your type of business, the number of employees you have and various risk factors such as whether or not your organization has been sued over employment practices in the past.

Such lawsuits, which range in size and scope, have been spawned by several factors:

- ✓ Professional plaintiffs' bars' eagerness to sue employers for employment related issues
- ✓ Laws expanding employees' rights in the workplace opening the way for new "causes of action" to be brought against employers, plus broader rights of recovery
- ✓ Increased third-party litigation brought by customers, consumers and clients seeking legal recourse for alleged discrimination or harassment

Take steps to prevent employee related lawsuits, educate your manager and employees so that you minimize problems in the first place. Regardless of your business type of the effective employment practices and procedures, you are still vulnerable to employment-related liabilities. Therefore, it is important to create effective hiring and screening programs to avoid discrimination in hiring.

What is Employment Practices Liability Insurance?

Employment Practices Liability Insurance provides protection for an employer against claims made by employees, former employees, or potential employees. Defending a wrongful termination or discrimination claim -- whether you are innocent or guilty, or even if the claim is groundless or fraudulent -- can be expensive.

Why do I need Employment Practices Liability Insurance?

Most general liability insurance policies exclude employee related claims. As soon as you begin to hire employees you may want to consider purchasing EPLI.