



Why Primerus Law Firms Need Employment Practices Liability (EPL) Coverage

No Primerus law firm would consider going without general liability or property insurance. As employers, law firms are more likely to have an employment practices loss than a general liability or property claim.

Did you know...

- Over 40 percent of employment practices liability claims are brought against private employers with fewer than 100 employees.
- In a recent survey, 73.5 percent of companies defended employment-related litigation that mainly consisted of discrimination and wage and hour complaints.
- The number one area for litigation in the past three years has been labor and employment matters.
- Forty-seven percent of plaintiff verdicts are between \$100,000 and \$500,000; the average cost of defense is \$150,000.
- EPL covers the defense of alleged acts of discrimination, harassment, retaliation, wrongful termination, and other similar acts – some of which arise from conduct between employees.
- The Equal Employment Opportunity Commission (EEOC) recorded nearly 100,000 charges in 2012 and obtained more than \$365 million in settlements for claimants.

- The financial ramifications of not having EPL insurance can be severe, especially for smaller businesses, like law firms, that do not have the operating budgets to handle the defense costs and settlements of an uninsured claim.
- There is no EPL coverage under most other insurance policies such as general liability, workers compensation, and professional liability policies. Any endorsement to another policy generally provides insufficient limits, does not provide the breadth of coverage of a separate EPL policy, and erodes the limit available for other losses under those policies.
- More wage and hour collective/class actions have been filed in recent years than any other type of employment class actions combined.
- Claims around office romance, pregnancy discrimination, and family responsibilities are more prevalent in service environments, including law firms.
- Gender discrimination, age discrimination, and retaliation claims are on the rise with a more diverse and aging work force. Recent Supreme Court decisions have lowered the standard of what constitutes retaliatory treatment.
- As the traditional equity status of partners is eroded, many law firm members acquire more of the rights as employees and can pursue a wide variety of claims.

The Primerus Insurance Program can help member law firms:

- Manage the exposures from employment claims through proper training, application materials, handbooks, and evaluation processes.
- Access an instant response team ready when an employment situation arises to help to mitigate the problem.
- Obtain coverage that will pay the expenses of employment claims.

Please contact us about employment practices liability insurance and risk management programs under the Primerus Insurance Program. We can help you to avoid, manage, defend, and pay for a data breach.

Stephen M. Tuuk

2200 Century Parkway, Suite 140 | Atlanta, GA 30345

770.734.1519 | stephen.tuuk@leavitt.com