

# Employment Practices Liability Insurance for Auto Dealerships



## The Risk is Real

Many auto dealership owners and managers don't really understand what employment practices liability (EPL) is and the broad range of issues it encompasses. Gender, race and age discrimination. Harassment of all sorts. Wrongful termination. Disability rights. Retaliation for workers' compensation claims. The list goes on.

## The Consequences Can Be Catastrophic

Unfortunately, those who suffer the most are the very ones who can't afford the debilitating financial devastation that can result from even a single employment practices liability lawsuit. Consider the facts:

- ▶ The Equal Employment Opportunity Commission (EEOC) recorded over 95,000 charges in 2008
- ▶ Private businesses with 100 or less employees are the most often sued for federal discrimination claims
- ▶ The average cost of an EEOC lawsuit in 2008 exceeded \$279,000

Some auto dealerships may consider going without EPL coverage to save money. Others mistakenly assume they are covered under their general liability policies, which most often have a standard exclusion for employment practices liability exposures. Going without EPL insurance can be a costly decision. Even if you only have a few employees, you need EPL coverage.

## The Solution is Here

The risk for your dealership is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers, LLC. Our Employment Practices Liability Auto Dealership Program can help you manage the risks and avoid the burdens of employment-related claims. We insure small to midsize clients — those with five or more employees.



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## EPL Policy Enhancements

- ▶ Third party liability coverage for claims brought by customers for discrimination (including costs of defense for Americans with Disabilities Act (ADA) and public accommodation claims) and/or harassment
- ▶ Unlimited access to a toll-free Employment Practices Liability Helpline that provides expert EPL advice
- ▶ Optional \$100,000 costs of defense for claims alleging violation(s) of the Fair Labor Standards Act
- ▶ Optional \$25,000 costs of defense for criminal investigations brought by any government agency for allegedly hiring or harboring of illegal aliens

## Strength and Stability

As a member company of the W. R. Berkley Corporation, and with full underwriting and claims settlement authority for all of its insurance products, Monitor provides insureds with access to the resources of a large corporation combined with the outstanding customer service of a smaller company.

Monitor underwrites professional liability insurance on behalf of W. R. Berkley Corporation member companies. A Fortune 500 company, Berkley has annualized revenues of \$4.7 billion, total assets of \$16.1 billion and stockholders' equity of \$3 billion. Monitor issues policies through two of the industry's most respected and trusted insurers, Admiral Insurance Company, rated "A+" (Superior) by A.M. Best Company, and Carolina Casualty Insurance Company, rated "A+" (Superior) by A.M. Best Company. Both are W. R. Berkley Corporation member companies.

### Learn More Today

For more information about Monitor's Employment Practices Liability Auto Dealership Program, you or your insurance agent can contact:

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Here are just a few examples of the havoc a single lawsuit can wreak on a dealership.

## National Origin Discrimination

A Hispanic mechanic at an auto dealership was terminated for falsifying his time sheet. The dealership also alleged that he fabricated customer car part orders and used the parts to repair his personal vehicle. The mechanic sued for national origin discrimination. The case settled for \$30,000 two weeks prior to the trial date. The dealership's defense costs were \$60,000.

## Wage and Hour

Local auto dealership drivers alleged that they did not receive pay for numerous overtime hours worked. The drivers claimed that their manager deducted time from their hours worked for a lunch break each day, even though the drivers did not always take a lunch break. The dealership also failed to pay drivers for commuting to and from their first and last customer pick up of the day. Defense costs totaled \$70,000. The case settled for \$165,000.

## Gender Discrimination

A female sales associate at an auto dealership filed a claim that she was denied a promotion because of her gender. The promotion was given to a less experienced male sales associate. In the lawsuit, the Equal Employment Opportunity Commission alleged that the dealership had a history of discrimination against female applicants. The dealership denied the allegations, but settled for \$50,000 and agreed to conduct training for managers and the dealership staff regarding anti-discrimination policies and procedures.

## The Monitor Difference

Monitor Liability Managers, LLC is an underwriting management company specializing in professional liability insurance. We have the experience, proven track record, financial strength and products to provide our clients with first-rate protection.

All insurance products are not created equal. The true value of an insurance product comes from the people and the company backing it.