

# 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 exposures it encompasses. Gender, race and age discrimination. Harassment of all sorts. Wrongful termination. Disability rights. Retaliation. 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 these 2016 facts. The EEOC:

- Recovered more than \$482 million from employers
- Continues to list retaliation as its most frequently filed charge
- Saw a notable increase in charges related to gender discrimination, disability discrimination and equal pay
- Resolved 97,443 charges
- Will focus more of its efforts on discrimination, harassment, youth at work and ensuring equal pay in 2017

With the average cost of an EEOC lawsuit more than \$100,000, can your client afford to be without Employment Practices Liability Insurance?

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. Our Employment Practices Liability Auto Dealership Program helps manage the risks and avoid the burdens of employment-related claims.

## Auto Dealership Program Eligibility

Monitor Liability's EPL insurance is available for small to midsize auto dealerships — those with five or more employees.

## Optional Coverage<sup>1,2</sup>

- 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
- \$100,000 costs of defense for claims alleging violation(s) of the Fair Labor Standards Act (FLSA)
- \$25,000 costs of defense for criminal investigations brought by any government agency for alleged hiring or harboring of illegal aliens

<sup>1</sup>This coverage overview is not part of an insurance contract and does not supersede the policy. Please read the policy form for complete terms, conditions and exclusions. Premiums and terms depend on the size and type of organization and other factors.

<sup>2</sup>Subject to underwriter approval.

### Contact Us

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### Submissions

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## Claim Examples<sup>3</sup>

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### 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.

<sup>3</sup>Claim scenarios are for informational purposes only, do not constitute legal advice and are not a confirmation or acceptance of coverage under any policy.

## About Monitor Liability Managers

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Monitor is a member company of W. R. Berkley Corporation specializing in executive and professional liability insurance.

We have provided insurance to middle market risks on a nationwide basis since 1992. Experienced leadership, comprehensive insurance knowledge and a well-established reputation for solid underwriting standards allow us to provide coverage unsurpassed in the marketplace.

### A+ Rated Insurance Carriers

Admiral Insurance Company (Nonadmitted)  
Berkley Insurance Company (Admitted)  
Carolina Casualty Insurance Company (Admitted)

- Rated A+ (Superior) by A.M. Best Company

## MyHRHelp Risk Management Services

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From the day the policy premium is paid, Monitor policyholders receive complimentary access to:

- Toll-free helpline calls that provide basic workplace issue consultation
- MyHRHelp™ website with employment resources
- Free monthly risk management webinars and an archived webinar library
- Two free California AB 1825 compliant online sexual harassment awareness trainings annually

All services are provided by Gordon Rees Scully Mansukhani LLP, a national law firm with extensive experience in employment law.

## Claim Management

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Monitor's claim management services are the cornerstone of the insurance coverage we offer to our policyholders. We strive to resolve claims promptly and to provide the best possible outcome for our policyholders and their agent or broker.