

# Employment Practices Liability Insurance for Law Firms



## The Risk is Real

If anyone understands the importance of managing risks, it is a law firm's partners and managers. However, employment practices liability (EPL) risk often goes unaddressed. EPL encompasses a broad range of exposures. 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 law firms 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 law firm is real and significant. So is the protection you can have with insurance offered by Monitor Liability Managers. Our Employment Practices Liability Law Firm coverage helps manage the risks and avoid the burdens of employment-related claims.

## Law Firm Eligibility

Monitor's EPL insurance is available for a wide variety of law firms including those that are organized as general partnerships, professional corporations, limited liability partnerships or limited liability companies. We insure small to midsize firms — 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
- Definition of insured to include partners
- Coverage for failure to promote partner
- \$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>

### Sexual Harassment

A former legal assistant at a small law firm filed a charge of sexual harassment. The assistant alleged that an attorney who she had worked with at the law firm had sexually harassed her. She alleged that the attorney had engaged in inappropriate sexual conversation and contact in the office. There was evidence of provocative e-mail sent from the attorney as well as incidents reported by other female employees. The firm's defense costs totaled \$90,000.

### Wrongful Termination

An associate at a midsize law firm was dismissed after the firm decided to reorganize due to a downturn in business. After her dismissal, the former associate alleged that the letter of employment she had received outlining her salary, benefits and start date was a contract and that she could only be terminated for "cause." Denying a motion for summary judgment, the court found that because the letter of employment did not mention "at will" employment, a jury would need to decide if a contract was created. This claim cost more than \$270,000 to resolve.

### Sexual Harassment

A lawyer at a large law firm frequently viewed suggestive material on his computer. The lawyer assumed that his female assistant did not see the images on his screen. The assistant did not complain to her supervisor, but reported his activity to the human resources department. They confirmed that the lawyer had accessed suggestive material repeatedly, yet they did not confront him and no action was taken. The assistant sued the law firm and the lawyer, asserting sexual harassment and hostile work environment. The case was settled for \$40,000 after it was discovered during the assistant's deposition that she also viewed suggestive material at work. Total defense costs paid were more than \$100,000.

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## Claim Management

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.

<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.

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## About Monitor Liability Managers

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

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## MyHRHelp Risk Management Services

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.

Products and services are provided by one or more insurance company subsidiaries of W. R. Berkley Corporation. Not all products and services are available in every jurisdiction, and the precise coverage afforded by any insurer is subject to the actual terms and conditions of the policies as issued. Certain coverages may be provided through surplus lines insurance company subsidiaries of W. R. Berkley Corporation through licensed surplus lines brokers. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. For additional information concerning W.R. Berkley Corporation's insurance subsidiaries, refer to <https://www.wrberkley.com/site-services/legal.aspx>