

3 Looks at EPL (Employment Practices Liability)

I recently quoted an EPL policy for an agent and was struck anew by the tremendous differences between the policies. Although they all had the usual: duty to defend, consent to settle with various softened hammer clauses, and the Big 4 coverages (wrongful termination, discrimination, sexual harassment and retaliation), here are a few things that were different:

Policy 1: Provided true defense outside the limits (no cap) and wage and hour defense sublimit.

Policy 2: Provided capped defense in addition, wage and hour defense **and damages** sublimit, and tort coverage not restricted to enumerated offenses.

Policy 3: Did not provide defense outside, but did provide wage and hour defense sublimit, illegal worker investigation sublimit, and the ability to add the franchisor as a vicarious insured. (This was a hospitality risk.)

Within its own microcosm, the pricing and deductible were similarly broadly varied.

Seems like the more things are the same, the more they change!

When you're offering EPL terms to your insureds, are you looking at how these various "minor" differences can impact their potential claim scenarios and ensuing coverage? Are you explaining these subtleties to your insureds? Granted, many will not have the patience or the technical depth to grasp some of these issues. But in those cases especially, the agent should guide the insured, applying a detailed knowledge of the insured's operations and exposures to the coverages available.