

NEWS

FOR IMMEDIATE RELEASE
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SFM launches employment practices liability coverage as charges against employers rise

**Workers' compensation and employment practices: Issues in one area
increasingly overlap the other, SFM says**

BLOOMINGTON, Minn.—Workers' compensation specialty carrier SFM Companies today began insuring employers in the Midwest against the rapidly increasing risk of employment practices liabilities, protecting them from high legal defense costs and giving them the ability to better manage difficult employee situations, company officials said.

SFM's launch of employment practices coverage comes on the heels of a report released in March by the U.S. Equal Employment Opportunity Commission showing that employment practices charges against employers rose steeply in 2008 to record highs.

Charges of age discrimination rose 29 percent. Charges of employer retaliation, sex and religious discrimination rose significantly. The total number of charges in 2008 increased 15 percent from 2007 and 26 percent from 2006, according to EEOC data.

Charges of employer retaliation rose 23 percent and were involved in 34 percent of cases against employers in 2008.

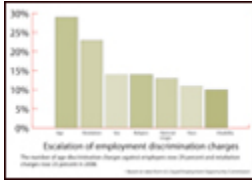
"The risk to employers has risen rapidly. These charges often are without merit, but the legal costs for defense can be staggering, especially for smaller businesses," said Bob Lund, president and CEO of SFM.

Lund said SFM's workers' compensation attorneys and claims specialists see a growing number of work-injury claims that involve other employment issues.

"There is an interplay between the employment issues that arise in a workers' comp claim and the issues that can give rise to a charge of discrimination or retaliation. A charge of retaliation, for instance, may be brought by an injured employee who claims he was wrongfully discharged by his employer. We're seeing more situations like that, and often they include additional charges such as age discrimination."

Lund said combining workers' compensation and employment practices coverages under SFM as a workers' compensation specialty carrier helps the employer better manage its human and financial resources. "The employer is protected from the risk of high legal defense costs involved in resolving employment practices charges. In addition, our legal and claims experts help the employer address the broader range of employment issues involved in a difficult work injury situation and can head off complications," he said.

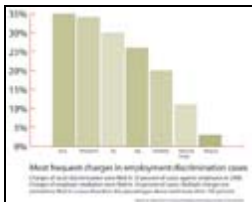
SFM has designed its employment practices coverage for employers with less than 250 employees, an underserved market that is typically more vulnerable to employment practices charges. SFM is partnering with Hartford Steam Boiler and Insurance Co., a specialist in employment practices, to offer the coverage and give employers access to a pool of specialized resources including self-assessments and model employment policies.



Escalation of employment discrimination charges

[Low-res image](#)

[Hi-res image](#)



Most frequent charges in employment discrimination cases

[Low-res image](#)

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Note to reporters

Download pix of SFM President and CEO Bob Lund: [Hi-res jpg file](#)

About SFM Companies—SFM, headquartered in Bloomington, Minn., is a customer-owned mutual insurance group providing Midwest employers with workers’ compensation coverage. SFM offers workers’ compensation insurance solutions for employers of all sizes, including claims and disability management, cost containment, legal assistance, and third-party administration. For more, visit www.sfmic.com.