

SFM Employment Practices Liability coverage
for small business employers

WORK COMP & EPL

Adding EPL to your client's SFM workers' compensation policy coordinates coverages, cost control, claims handling and HR management for better client service.

- EPL coverage is an extension of SFM's expertise in employment issues.
- It is delivered easily as an endorsement to the workers' compensation policy.
- It is designed and competitively priced for small businesses.
- This is coverage that agents should be recommending to their clients...



SFM[®]
The Work Comp Experts

For agent use only

Only SFM lets you offer your small business clients broad EPL coverage as an endorsement to their monoline workers' compensation policies

It's one of the best steps you can take for your clients. They benefit from SFM's expertise and competitively priced EPL coverage. You benefit from reduced E&O exposures and stronger client relationships.

Small businesses face growing legal complexities in the area of employment practices, just like they do in workers' compensation.

Over the last few years, employees filed with federal and state agencies hundreds of thousands of charges against employers. Most are charges of discrimination, harassment or wrongful termination. Some are filed in connection with workers' compensation claims.

- 52 percent are against small businesses.
- 81 percent of cases settle for \$27,800 to \$50,000. Cases that go to court average far more.

- Employers prevail 75 percent of the time. But the defense costs are significant and can be devastating for a small business.

And exposures are growing. Federal laws passed since 2008 make it easier to find grounds for bringing employment-practice charges against employers.

Small businesses are especially vulnerable

They generally don't have HR professionals or carefully developed employment practices. They may be less aware of risk management. Staff turnover is often higher. They're less able to absorb the impact of expensive legal disputes.



EPL coverage specially designed and competitively priced for employers with 50 employees or less...

Basic coverage includes —

- Liability damages, punitive damages* and defense costs due to charges brought by full-time, part-time, temporary and seasonal employees, applicants for employment, and recognized volunteers.
- Full prior acts.
- \$100,000 coverage limit, \$5,000 deductible.

Other options are available, including increased coverage limits, deductibles, extended reporting and third-party liability.

*As allowed per state law.

No application, no underwriting

And easy delivery: EPL coverage is endorsed on the employer's SFM workers' compensation policy.

Market area

Main business locations in Minnesota, Wisconsin, Iowa, Nebraska or South Dakota.

All classes are eligible except —

Legal services, employee leasing firms, temporary help firms, private membership golf clubs, municipalities, and schools.

Also available to employers with 51-250 employees

Contact an SFM underwriter for an application. A quote will be returned to you promptly.

For employers with 50 employees or less			
	Liability limit per policy year	Deductible per claim	Pricing 50 employees or less
Basic coverage	\$100,000	\$5,000	\$38.84/FTE
Optional limits, deductibles	\$100,000	\$10,000	\$25.89/FTE
	\$250,000	\$10,000	\$63.44/FTE
	\$250,000	\$25,000	\$47.91/FTE
Optional coverages	\$500,000 \$1,000,000	Contact SFM	
	Third-party liability (customers, clients, vendors)	15% or 30% of premium depending on class code	
	Extended reporting period (available in all cancellation situations except non-payment of premium)	100% of premium in MN, WI, IA & NE 175% in SD	

...with distinctive cost-saving advantages for your client

Combining EPL with work comp under SFM provides more HR control

EPL and work comp risks can easily interconnect. When an employee files a claim, whether it is for workers' compensation or EPL, SFM will help the employer anticipate and manage a broader range of potential HR-related issues. The bottom line is lower overall cost for the employer.

Expert risk management services, the kind major companies use

Extensive online resources, available through SFM's website, let your client: Draw from model policies and

practices. Become more knowledgeable on important employment laws. Avoid mistakes that trigger employment practice charges.

Expert claims and legal services, there if you need them

Claims management by specialists skilled in the complexities of employment-related charges.

Legal defense representation by experienced employment law firms — services that typically would be cost-prohibitive for small businesses.

Marketing opportunities

Current SFM policyholders

Great cross-sell opportunities exist with your clients that are current SFM policyholders. Adding EPL to the employer's workers' compensation renewal policy coordinates coverages, costs, claims handling and HR management for better client service.

■ **You will be receiving EPL quotes automatically from SFM.** These will be for each of your current SFM policyholders with employee full-time equivalents (FTEs) of 50 or less (typically, these will have work comp premiums of less than \$10,000).

SFM will send you the EPL quote along with the workers' compensation renewal quote 75 days prior to the policy expiration date. Quotes will include the basic EPL coverage with a \$100,000 limit and \$5,000 deductible, as well as other coverage options.

■ **Please review the quote with your client.** Pricing will be based on FTE counts you provide to the SFM underwriter or on FTE estimates derived from payroll. If needed, you can contact the underwriter with updated FTE counts or other coverage options and get a revised quote.

■ **The work comp policy will always go out as usual.** If SFM does not hear from you within 30 days, the workers' compensation policy will be generated automatically without the EPL endorsement and sent to you to forward to your client.

New business prospects

When introducing a client to the value of SFM's workers' compensation coverage, remember to include EPL in your conversation. EPL complements SFM's expertise in workers' compensation, delivering value to your client across a broader range of human resources issues.

■ **When you ask SFM to quote the work comp, ask for an EPL quote, too.**

Additional marketing opportunities

More than 50 employees

SFM's EPL coverage is specially designed for small businesses. While coverage is automatically quoted for employers with 50 employees or less, SFM welcomes the opportunity to quote EPL coverage for employers with up to 250 employees.

Mid-term endorsement

Whenever a conversation with your client leads to an interest in looking at an EPL quote, SFM welcomes the opportunity to provide it. EPL coverage may be added to the client's SFM workers' compensation policy at any time during the policy year.

Growing exposures

Recent changes in federal law may be an opportunity for conversations with employers who currently lack EPL coverage.

Throw-in coverage

If you have clients with BOP plans that include throw-in EPL coverage from other carriers, they're probably under-insured. In fact, low-limit plans with defense within the limits may not comply with state laws. With SFM's EPL coverage, you can offer clients broad, affordably priced protection from employment practices liabilities along with the benefits of SFM's specialization in small business workers' compensation.

Give your small business clients the best of both worlds –

WORK COMP & EPL

Contact SFM for a quote.



Contact us For quotes, coverage options, or more about EPL, contact your SFM underwriter or call SFM at (800) 937-1181 ext. 4344. For more, visit sfmic.com > Agents > Coverage and services