

Employment practices liability

Employers are being hit with hundreds of thousands of charges each year. Most commonly—

- Racial discrimination
- Sexual harassment
- Religious discrimination
- Sex discrimination
- National origin discrimination
- Disability discrimination
- Age discrimination
- Employer retaliation

Third-party charge: Customer or other individual claims wrongdoing by an employee or employer.

Example EPL charge: A business owner let go an employee who'd had back surgery and could no longer do his job. The employee filed charges for wrongful termination and failure to accommodate a disability, seeking \$2 million in damages. The employer's legal defense fees totalled \$36,000.

Charges have increased sharply.

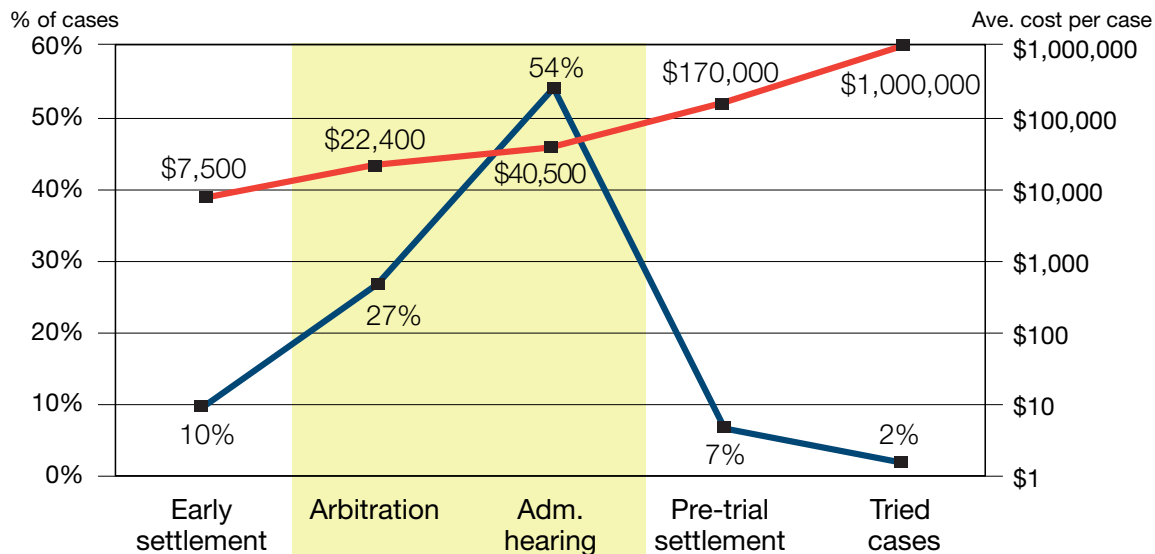
- For example: Charges of employer retaliation, up 26 percent late 2007 to late 2009.

52 percent of charges are against small businesses.

- 75 percent of Employment Practices charges are found to be meritless. But even then . . .

. . . Costs are high and continue rising as the case advances.

- As the chart shows: Four out of five cases settle at arbitration or administrative hearing. Costs run \$22,400 to \$40,500—most of it for legal defense.
- 2 percent of cases go to trial, where average costs are very substantial.



SFM offers broad protection with added benefits

SFM's basic Employment Practices Liability package is designed for small businesses

- **Pays the defense costs**, liability damages and punitive damages* involved in charges against you for employment practices violations. Charges may be brought by full-time, part-time, temporary and seasonal employees.

*As allowed per state law.

- **\$100,000 coverage limit**, \$5,000 deductible. Other options available.
- **Added as an endorsement** to your SFM workers' compensation policy.
- **No application required** for most employers with 50 employees or less. Available to employers with up to 250 employees.

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

Expert claims and legal services, there if you need them

- **Expert claims management.** Your case is managed by claims specialists skilled in complex employment-related charges. Legal defense representation by experienced employment law firms—services typically cost-prohibitive for small businesses.
- **Expert risk management.** Online services let you draw from model policies and learn how to avoid mistakes that trigger employment practice charges.
- **Expert legal advice.** Talk with SFM's attorneys for advice on best practices in employment-related issues.



Let SFM quote your Employment Practices Liability coverage

For more information on coverage options or to obtain a quote, talk with your independent insurance agent.



The Work Comp Experts

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