

Employment Practices Liability Insurance

Employment Practices Liability (EPL) Closed Claims—Wrongful Termination

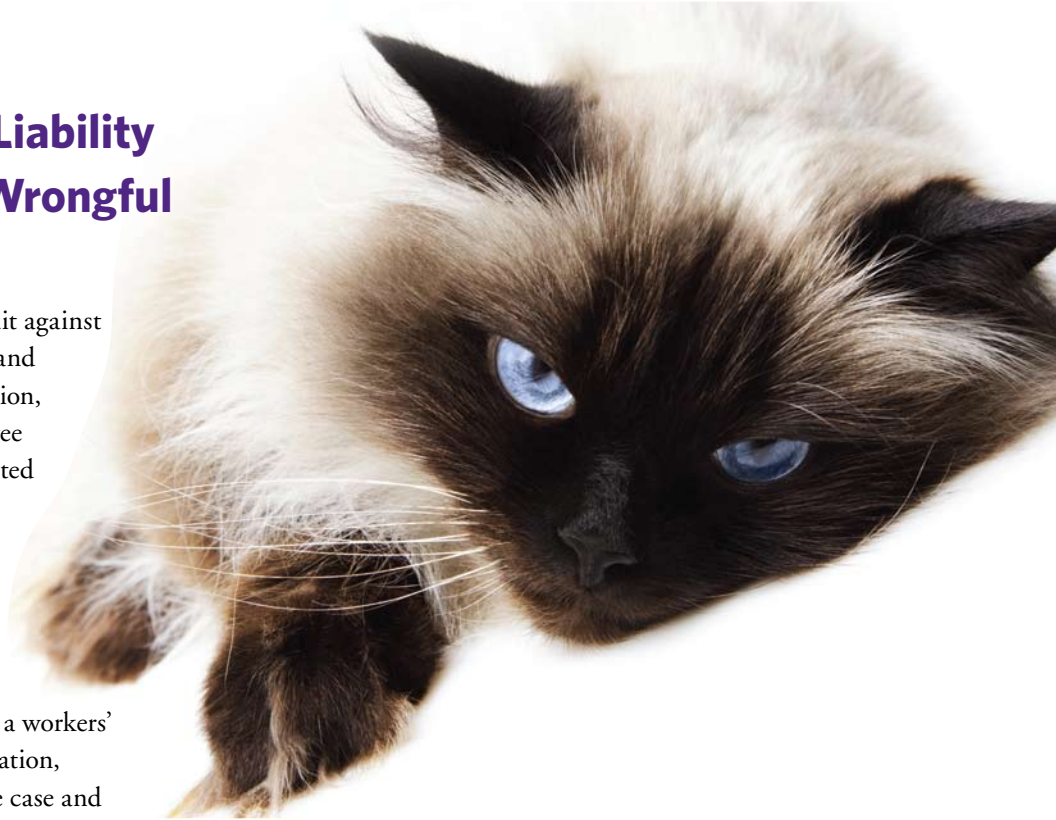
Employee A filed a wrongful termination suit against Dr. X's practice alleging breach of contract and unjust enrichment. After a claims investigation, Dr. X's insurance carrier offered the employee \$2,000 to settle the case. Employee A accepted and withdrew the lawsuit. Dr. X's defense costs (paid for by CNA, the insurance carrier) were \$11,000.

Employee B filed a wrongful termination suit against Dr. Y's practice alleging the termination was in retribution for filing a workers' compensation claim. After a claims investigation, Employee B was offered \$5,000 to settle the case and the offer was accepted. In addition to the settlement, the insurance carrier (CNA) paid nearly \$14,000 to defend Dr. Y's practice.

Why You Need EPL Now

As you can see from these two closed claims, it is very expensive to defend yourself against allegations of wrongful termination. Without employment practices liability (EPL) coverage, your expenses would be out-of-pocket. And with today's work climate experiencing a higher number of layoffs, the likelihood of being accused of wrongful termination increases two-fold: first, the rise in the number of terminations increases your probability; and second, when the former employee cannot find new work and has extra time to harbor resentment, the employee may be more prone to justify filing a lawsuit and expecting financial compensation.

To protect you from these types of allegations as well as allegations of discrimination and harassment, The PLIT offers a stand-alone employment practices liability policy



underwritten by CNA. And, our program just improved even more with several new coverage enhancements including:

1. Unlimited access to the toll-free employment and human resources helpline
2. Expanded policy definition of "employee" to include volunteers
4. Automatic coverage for 90 days for newly formed or acquired entities or plans
5. Increased automatic coverage for newly acquired subsidiaries or pension plans to 50% of the total consolidated assets of the practice.

Call the PLIT at 800-228-7548 for more information or a quote.

This newsletter contains only a general description of coverages and does not include all the benefits and limitations found in the policies. Coverages may vary. All references to coverage are subject to policy conditions and exclusions. The insurance policy and not this newsletter will form the contract between the insured and the insurance company.