



# Rockwood Programs, Inc.

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## What is Employment Practice Liability?

The need for Employment Practice Liability commonly known as EPL, EPI or EPLI arose with the incorporation of the ISO Employment Practice Liability Exclusion in most General Liability policies (CG 2147). EPLI gained popularity in the 90s with the Clarence Thomas Supreme Court Nomination and has been gaining momentum ever since.

## What is Covered?

EPLI provides coverage for employer/employee related claims. These claims include sexual harassment, discrimination wrongful termination and retaliation. Claims for failure to hire, Wrongful Discipline and Deprivation of career opportunity are also covered. Claims are initially filed with the Equal Employment Opportunity Commission (EEOC) or other federal, state & local agencies. Civil litigation is often filed after these proceedings on all levels (federal, state and local). Coverage is provided for judgments, statutory attorney fees, settlements including: Punitive damages where insurable by law, Front pay, and Back pay.

## Who is Covered?

The coverage is provided for past, present and future employees. Coverage is included for Full-Time, Part-Time, seasonal and temporary employees. The Directors, Officers and members of a Limited Liability Company are included as insureds. Interns, volunteers and leased employees are also included. Coverage can be extended to cover 3rd parties, such as customers.

## Samples of Possible Scenarios

- 1** An employee is terminated due to bad performance. The employee files a complaint with the EEOC claiming he was terminated due to his race. If he was terminated during the policy period and filed the claim during the policy period, coverage could apply.
- 2** A person notices a now hiring sign in the window of a store. The position was filled however the manager forgot to take the sign out of the window. The person comes into the store and asks for an application. The manager informs the person that the position has been filled and refused to give the person an application. The person then files a complaint with the EEOC claiming the manager did not give him an application due to his race. If this incident happened during the policy period and filed the claim during the policy period, coverage could apply.
- 3** Jeremy was recently hired to manage the processing department. Kate was a well-known and hard working employee. She would often stay late and work on weekends. On one of those nights Kate was working late, Jeremy approached her from behind and started to massage her shoulders. Kate, startled by this action, immediately jumped up and started yelling at Jeremy. The next day she reported the confrontation to Darryl the head of the Human Resources department. Darryl called Jeremy into his office and reprimanded him. Jeremy started treating Kate differently. He made her employment unbearable. Kate finally quit. She went to her lawyer and filed a claim of retaliation. She stated in her claim that Jeremy made her employment unbearable after their confrontation.