

1 *What is Employment Practices Liability Insurance?*

Employment Practices Liability Insurance (EPLI) provides defense and indemnity protection against claims arising from the employer/employee relationship. The policy shields employers - plus all current, former, and prospective employees, directors and officers, even the corporate entity - against a broad spectrum of employment-related claims.

2 *What is Employment Practices Legal Expense Insurance?*

Employment Practices Legal Expense Insurance (EP LEX/R) provides defense protection against claims arising from the employer/employee relationship. The policy shields employers - plus all current, former, and prospective employees, directors and officers, even the corporate entity - against a broad spectrum of employment-related claims.

Employment practices claims are excluded from most Business Owners Policies (BOP), General Liability, and Errors & Omissions forms. You must purchase EPLI or EP LEX/R to have coverage.

3 *What events are covered?*

This coverage is designed to protect the insured against allegations of the following wrongful employment act:

- **Discrimination** (failure or refusal to hire or any other wrongful treatment of persons based on their race, sex, color, religion, sexual orientation, age, disability or other status that is protected by federal, state, or local statute or ordinance);
- **Harassment** (of either a sexual or non-sexual nature); and
- **Wrongful Termination** (any actual or alleged wrongful dismissal, discharge or termination of employment, including breach of contract).

4 *What is the difference between the “Defense Only” and “Defense & Indemnity” coverage options?*

Both options are designed to provide legal counsel to represent the insured against allegations of any covered wrongful employment act. This protection is provided even if the claim is groundless or fraudulent. Covered costs include attorney’s fees, investigation, and research expenses. Under the “Defense & Indemnity” option, judgments and awards resulting from actions brought against the insured will also be included, up to the applicable limits of liability.

5 *What is a Risk Purchasing Group?*

A purchasing group is comprised of insurance buyers who band together, typically on a national basis, to purchase their liability insurance coverage from an insurance company. Purchasing groups (PGs) provide advantages both for members and the insurance carrier. Applicants enrolling in the Rockwood Guardian benefit from having access to a program with tailor-made coverages, broader coverage terms, and a competitive rate structure.

As part of the Rockwood Guardian EPLI RPG, policyholders are also given access to a broad array of risk management tools that are second to none. The Rockwood Guardian Helpline services provide on-line content including forms, checklists, Federal and state regulation updates, articles, and human resources reference materials. This package is designed to help companies identify and resolve employment-related issues before they become claims.

6 *What do you mean by “Coverage written on a surplus lines basis”?*

The Rockwood Guardian EPLI program is underwritten by surplus lines (non-admitted) insurers. This means that the carriers’ rates and policy language are not subject to Insurance Department review or most state insurance statutes. This gives the companies maximum flexibility to provide a market for unique, specialized, or hard-to-place risks. Insurance policies written on a surplus lines basis are also not covered under individual state guaranty funds. We should note here that the carriers underwriting the Guardian program are rated “A” or better by A.M. Best for its stability and claims-paying ability.