

The Employment-Related Practices Liability
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Who could be sued for violating an employee's rights? Just about anyone who employs another person! Discrimination, paying incorrect overtime amounts and sexual harassment are just three of many workplace situations that could lead to a lawsuit. Some actions result from the employer being unaware of applicable laws while others arise out of cultural differences and misunderstandings. Still others are the result of harmful intentional acts. An employer may be aware of the actions and condone them. In many cases, they are not aware and frequently fail to stop them due to a lack of adequate supervision.

It is also important to note that some actions are totally unfounded and are heavily affected by perceptions and misinterpretations. False accusations made may be difficult to refute due to poor record keeping and lack of adequate procedural guidelines.

Employment-related practices liability can provide more than just monetary coverage. Most specialists provide loss prevention techniques that could help an employer avoid being sued, if properly utilized. More importantly, they can protect employees from abuse.

Employment-related practices losses are a broad category of claims that Commercial General Liability coverage forms specifically exclude. They include discrimination cases where one individual is treated differently than another because of race, gender, age or other factors that should not affect one's ability to perform a particular task. Sexual harassment cases arise from a work environment that becomes unbearable because of a requirement to engage in sexual activities in order to keep a job or be subject or a party to sexually suggestive situations unrelated to job requirements.

Wage and hour disputes are a current major cause of action. This could be considered cheating an employee out of earned compensation and revolves around both overtime and working hours without compensation. Some cases involve individuals placed in "salaried" positions and exempt from overtime pay who are then forced to work additional hours to accomplish their assigned tasks. Other cases involve hourly employees who work extra time and "choose" not to report it for a number of reasons.

The EPLI marketplace has many companies willing to write the coverage. Who should buy EPLI coverage? "Anybody who has at least one employee should consider buying this coverage." The experts all echoed this response. "Given the current social and political climate, it behooves all employers, not just businesses, but schools, churches and other non-profits to consider this coverage."

Consult your local Insurance Brokers of Minnesota agent for a complete analysis of your liability exposures.