



**EMPLOYMENT PRACTICES LIABILITY  
REINSURANCE SOLUTIONS**



## EPLI

A broad, enhanced program that provides protection for business entities, directors, officers and employees against administrative proceedings and suits alleging:

- ▲ Wrongful dismissal, discharge or termination
- ▲ Employment-related misrepresentation
- ▲ Violation of employment discrimination laws
- ▲ Employment-related harassment, including sexual harassment
- ▲ Wrongful failure to hire or grant tenure
- ▲ Negligent evaluation
- ▲ Retaliation
- ▲ Invasion of privacy
- ▲ Employment-related defamation, infliction of emotional distress

Coverage can also be extended to discrimination or harassment claims brought by third parties (non-employees). Sexual harassment or physical abuse claims brought by customers or clients are excluded.

## Employment Practices Liability Insurance

Business owners work hard to create a work environment that brings out the best in their employees. However, constantly evolving laws and regulations related to hiring, terminating and managing employees can create challenges and risks to both the business and its owners.

NAS Specialty Reinsurance understands the risks that your policyholders face. We have been developing and marketing specialty insurance and reinsurance products, including Employment Practices Liability Insurance, since 1975 with a complete array of support services so carriers can differentiate and focus on their policyholders' needs.

Our EPLI services include underwriting, claims handling and compliance, as well as, HReSource - our online risk management platform specifically developed to provide training, legal resources, and HR seminars for your policyholders.

NAS helps partners get to market quickly with new offerings, avoiding R&D costs, additional overhead and the assumption of risk.

With a passion for service and a whatever-it-takes attitude, we aren't your usual insurance people.

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## Risk Scenarios

**A popular craft brewery was sued** by a former employee (Plaintiff), alleging that the brewery fired her while on medical leave and forced her to sign a Separation Agreement while on pain medication, without benefit of reading it or reviewing it with an attorney.

Further, the Plaintiff alleged that the Separation Agreement (which she received a copy of after being forced to sign) contained a clause that in exchange for providing a release for any claims relating to her employment, the Plaintiff would receive severance benefits including severance pay and health benefits. The Separation Agreement also included the following provisions:

- Plaintiff was to immediately sign over all shares in the Insured's stock.
- Plaintiff was to receive no compensation or other consideration related to the requirement that she sign over the shares of stock.

The case was filed in the local district court, and after three years of negotiation and accrual of fees, the parties ended up settling out of court with a payment of \$385,000 to the plaintiff.

**A receptionist/PT assistant for a physical therapy clinic** filed a sexual harassment lawsuit against her employer claiming that, prior to her employment, the gentleman had provided financial and investigative assistance to her in her quest as an adopted child to locate her biological mother.

Subsequently, during her employment, she claimed that the employer insisted that she was indebted and obligated to him for his help and that she was therefore compelled to engage in repeated sexual acts with her boss. She believed that her employment was in jeopardy if she did not permit the harassment to continue and only resigned after a year and a half when the situation "became intolerable."

Among other things, she held the employer responsible for the breakup of her engagement. The clinic was required to pay the assistant \$183,000 in legal and settlement costs.

**A multi-count suit was filed** in California against a farming and harvesting operation (Insured) by a former employee. The former employee alleged that he was the victim of sexual harassment, sexual assault, retaliation, and assault and battery by his direct supervisor over a period of eight months.

He asserts that in addition to demanding that his supervisor cease such actions, he also logged several complaints to management. He claims that no action was taken to stop the harassment or intimidation. Fearful and intimidated, the former employee felt he had no option but to leave his position with the company and remove himself from the threatening situation.

The employee was awarded a judgment, on all counts, of \$350,000. The operation also had to pay an additional \$176,422 in legal fees.



## NAS HResource

As part of the Employment Practices Liability Insurance policy, your policyholders have access to HResource -- an online risk management service that provides employment and labor law articles, training modules and seminars, access to legal experts, and HR document templates.

### Training modules

- Interactive training programs for supervisors
- Non-interactive training programs
- Manager training bulletins and podcasts

### Audio seminars featuring employment law attorneys and HR experts

### Internet-based HR management system featuring:

- Online HR forms, HR policies & procedures (by state)
  - 100+ sample "state-specific" employee handbooks
  - Continually updated online content
- Electronic notification of significant content changes
- Step-by-step procedure forms to handle common HR management issues, including:
  - Interviewing and hiring
  - ADA compliance
  - Leave of absence (FMLA, pregnancy, military, etc.)
  - Discipline of employees and proper documentation
  - Voluntary and involuntary termination and guidance
- Pre-developed job descriptions for selected positions and job description builder
- Monthly electronic newsletter alerts for changes to federal and state employment laws



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