

EMPLOYMENT PRACTICES ISSUES



EMPLOYMENT LIABILITY RELATED CLAIMS ARE ON THE RISE!

No company, large or small, is immune to costly lawsuits from disgruntled or offended employees. Over the last several years, the number of complaints by employees against their employers for discrimination, sexual harassment and wrongful termination grew by 150 percent-and the numbers climb higher every year. Right now, ONE THIRD of the federal docket and approximately ONE FIFTH of state court proceedings are comprised of employment related cases.

WHAT EMPLOYERS SHOULD DO!

All employers, even those with just 1 employee must understand all employment laws and put into place sound business practices to adhere to statutory and regulatory requirements (such as the American with Disabilities Act, Family and Medical Leave Act, Title VII of the Civil Rights Act, the Occupational Safety Health Act (OSHA) and the Age Discrimination in Employment Act). In addition, all business owners and managers should be educated in proper employment practices such as hiring, evaluating, disciplining and terminating employees and sexual harassment. An employee handbook, updated regularly and reviewed by an attorney, should be distributed to every employee. Even At-will@ employees can sue an employer for violations associated with several of the employment laws in effect.

INSURANCE CAN BE PURCHASED!

Over the past few years, several insurance companies have begun offering insurance policies designed to protect businesses against many of the lawsuits in this area. Policy coverage and terms vary from company to company and close inspection to the provisions is necessary.

Since legal costs can easily reach \$100,000 just to defend a lawsuit, we highly recommend that you purchase this insurance coverage.

We can provide you with an indication of premium and provide you with an application for a firm quote.

TYPES OF COVERAGE PROVIDED ON MANY EMPLOYMENT PRACTICES LIABILITY POLICIES!

Sexual Harassment

Wrongful Termination

Wrongful Discipline

Defamation

Invasion of Privacy

Misrepresentation

Equal Pay Violations

Wrongful Infliction of Emotional Distress

Retaliation

Breach of Employment Contract

Negligent Evaluation

Wrongful deprivation of Career Opportunity

Failure to employ/promote

Acts of Discrimination

COMMON COMPANY UNDERWRITING GUIDELINES

Companies will normally require that businesses seeking Employment Practices Liability Insurance have solid management experience and sound business practices in this area. An owner or management level person in the firm must be responsible for handling all employment related functions.

An Employee Handbook, updated regularly and reviewed by an attorney, is normally required and should include at a minimum:

An employment relationship policy (employment-at-will statement)

An equal employment opportunity policy

A solicitation and distribution policy

A sexual harassment policy

A non-harassment policy

A complaint resolution procedure

A family and medical leave policy

Leave benefits (i.e.: vacation, sick, personal, holiday)

Rules of conduct

Conflicts of interest

Termination, resignation and out-placement policy

A disciplinary procedure

OUR AGENCY CAN ASSIST YOU!

If you are interested in securing Employment Practices Liability Insurance, we can assist you by obtaining preliminary pricing and acceptability information for you. If interested in a quotation, please call Marie Ryan, Vice President in our Office at 1-800-821-7469 , ext 113 or e mail her: mryan@ronanagency.com. Employee Handbook sample guidelines are available from several of the companies through which we place this insurance. They are also available in many retail stores on paper or disk format. However, after using the any guidelines to set up your manual, always have an attorney review the manual....and remember to update it on a regular basis since laws, regulations and court cases can quickly change your exposure in this area.