



CHANCES ARE YOUR CLIENTS WILL FACE AN EMPLOYMENT CLAIM. Are They Protected?

YOUR CLIENTS ARE AT RISK.

In today's workplace, business owners must protect themselves from employment claims. Discrimination, sexual harassment, wrongful termination — these are just some of the charges that employees and customers can file at any time.

Yet, it can be difficult to find affordable insurance protection.

This leaves your clients exposed to employment charges and lawsuits that can cost thousands to defend, even when the allegations are found to be groundless.

NOW, YOU CAN PROTECT THEM WITH INSURANCE THEY CAN AFFORD.

We now offer Employment Practices Liability (EPL) coverage as part of our policies.

This coverage can help your clients defend themselves against employment claims that can devastate a business. It adds meaningful protection and sets you apart by helping to fill a serious coverage gap.

Until now, only big businesses could afford this coverage. Now, as part of our package policy, EPL is available at a very affordable premium. There is no separate application or additional underwriting needed, making it especially easy and efficient for you.

LEARN MORE.

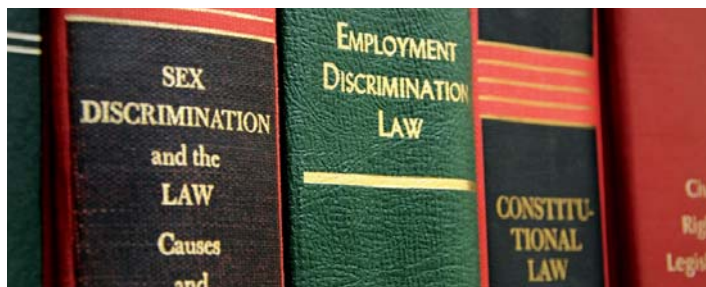
For more information about EPL and the importance of this coverage, please contact PLM at (800) 752-1895 or visit our website at www.plmins.com.

EASY ACCESS TO BROAD COVERAGE AND SERVICES.

Our Program Offers:

- EPL coverage with substantial limits at affordable premiums
- No separate underwriting process or application for standard options
- Coverage for claims brought by customers as well as most employee types
- A loss prevention website
- Specialized claim services
- Experienced EPL law firms
- Coverage for full prior acts
- Access to a toll-free legal advice line

Claims against employers are rising rapidly. Small businesses are often the subject of these employment claims. They cost employers tens of millions of dollars each year. In the past, EPL coverage was available in stand-alone policies only large companies could afford. Now, we make quality coverage available to small- and mid-sized businesses.



This is only a summary of the coverage. For all coverage terms, conditions, and exclusions, please refer to your PLM Business Development Representative or Underwriter. Coverage may not be available in all states.

EMPLOYMENT PRACTICES LIABILITY

Key Risks and Coverage Features

EPL - NO LONGER JUST FOR LARGE INSURED

Today, more than half of all Employment Practices Liability (EPL) claims are made against small- to mid-sized business owners. Yet, many are unaware that they can purchase the EPL coverage necessary to protect their businesses from allegations of harassment, discrimination and wrongful termination that may be brought by employees, applicants for employment or even third-party claimants. Consider the risks and cost and it's clear that EPL coverage is a "must have" for all business owners.

The Risks

- 52% of EEOC charges brought are against small businesses.
- Although 75% of all charges are found to be groundless, 100% require defending and the burden of proof is on the business owner.
- On average it takes more than 1 year to resolve an EEOC claim.
- **81% of settled** claims are between US \$27,800-\$50,200 (including defense costs).
- The workplace is diverse... over 50% of the US employed labor pool is 40 years or older, nearly one half are female and over one quarter are non-white according to the Department of Labor.
- On average, women still earn less than men.

The Costs

- Early Settlement (10%) — \$9,300
- Arbitration/Mediation (27%) — \$27,800
- Administrative Hearing (54%) — \$50,200
- Pre-Trial Settlement (7%) — \$210,800
- Tried Cases (2%) — \$1 million and up

Source: EEOC and Federal Employment Practices Agencies

KEY COVERAGE FEATURES

When considering EPL coverage, look for these important coverage features.

- **Third Parties.** Does the EPL coverage respond to claims brought by third parties?
Non-employee clients, customers and vendors can bring harassment or discrimination claims. Businesses with high customer contact, such as retail operations, are at higher risk. While EPL policies respond to claims made by employees, the third-party grant broadens the coverage to include non-employee claimants.
- **Punitive Damages.** Is punitive damage coverage (where insurable by law) available?
When imposed, punitive damages can add significantly to an employer's liability damage dollars.
- **Full Prior Acts.** Is the coverage written on a full prior acts basis?
Full Prior Acts coverage extends EPL coverage to incidents that occurred prior to the policy's inception date — but were reported during the policy period — as long as the insured had no prior knowledge or notice of the incident and could not have foreseen the claim. Any prior, pending or current litigation would be excluded.
- **Broad Definition of Employee.** Is the definition of employee broad? Does it include full-time, part-time, seasonal and temporary employees, as well as independent contractors and leased employees?



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