



Travelers Wrap+ Employment Practices Liability

If you think your chances of being sued by any of your employees are one in a million ... think again. The number of employment related lawsuits has steadily increased: In 2007 alone, the Equal Employment Opportunity Commission [EEOC] received over 82,000 charges.* Add to that the hundreds of thousands of employment claims filed with state and local agencies and the numbers are staggering.

In the event of employment litigation, Travelers Wrap+ Employment Practices Liability insurance provides critical coverage, protecting your company from the potentially catastrophic costs of mounting a defense.

Why you need protection

Even an organization with good human resources policies and procedures in place can be sued, and the cost of defending a claim can be enormous. It is not uncommon for legal fees associated with winning an employment lawsuit to exceed \$250,000. When you've spent that much on legal fees, it's hard to feel like you've won. Moreover, the national jury-award median for employment practice liability cases was \$200,000 in 2006.**

Claim scenarios

National origin discrimination – \$250,000

An employee sued a company for national origin discrimination in violation of Title VII, which prohibits employment discrimination based on race, color, religion, sex and national origin. The employee alleged that he

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was wrongfully terminated when he complained to his supervisors that co-workers had made disparaging remarks relating to his ethnic background. The plaintiff was awarded \$250,000 in damages.

Third party sexual harassment – \$100,000

Two employees of the company made inappropriate comments about the physical appearance of a female freelance contractor working on the premises. The contractor filed a claim against the company for third party sexual harassment, the suit was settled for \$100,000.**

Discrimination and retaliation – \$317,500

A plaintiff alleged that the insured discriminated against him on the basis of his age and disability. The plaintiff further alleged that he was terminated in retaliation for filing a workers compensation claim and for complaining about discrimination. The defendant contended that the plaintiff was not able to perform the essential functions of the job and that he was discharged for legitimate,

* The U.S. Equal Employment Opportunity Commission, Charge Statistics, <http://www.eeoc.gov/stats/charges.html>

** According to Jury Verdict Research

*** Coverage in this example is extended only if certain optional policy provisions are selected and may not be available in every instance.

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non-discriminatory and non-retaliatory reasons. Travelers spent more than \$175,000 defending the case and paid \$142,000 in settlement costs.

Alleged sexual harassment - \$350,000[†]

The plaintiff allegedly patronized the insured's restaurant and completed an application for employment. She claims that, after completing her application, she was sexually harassed by the employees and managers of the restaurant. Further investigation of the matter showed that, after drinking for several hours, the plaintiff decided to apply for a position and that she was the instigator of the sexual activity that occurred. The matter was tried in front of a jury, which came back with a verdict in favor of the insured. Although the insured won the suit, defense costs exceeded \$350,000.

Risk Management PLUS+ Online[®]

All of the Wrap+ coverages include Risk Management PLUS+ Online at no additional cost to you. Delivered via a dynamic, web-based platform, it is your one-stop resource, providing a comprehensive set of tools that will help protect your organization from costly litigation, including:

- Free general guidance from an attorney who specializes in employment law^{††}
- Employment practices checklist to help evaluate your current approach to employment issues

- Interactive sexual harassment training for your employees
- Training and strategies to help reduce your exposure to a host of potential claims, including discrimination, Americans with Disabilities Act, retaliation and wrongful termination

To learn more about Risk Management PLUS+ Online, visit rmlplusonline.com.

An experienced market leader

- Since 1853, we've provided effective insurance solutions to a wide range of industries
- A.M. Best has assigned Travelers a financial strength rating of A+^{†††}
- With over 50 offices, we possess national strength and local presence
- Our dedicated claim group offers extensive industry and product knowledge

Get the protection you need, today and tomorrow

To learn more about EPL insurance or Risk Management PLUS+ Online, talk with Cavanah Associates, Inc. or visit travelersbond.com.

[†]The Wrap+ EPL coverage part includes claims that can be brought by employees, former employees or applicants for employment.

^{††}Assistance is not intended to replace your company's attorneys. Assistance provided exclusively to EPL policy holders.

^{†††}A.M. Best's rating of A+ applies to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of June 3, 2008, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.ambest.com.



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