

## Employment Practices Liability

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Hiring and firing practices are the legal minefields that are best navigated by the use of Employment Practices Liability Insurance (EPLI). It is important that a business has clear policies that are applied consistently to each employee. Such policies must directly relate to their job. Do you know what type of decisions could trigger a claim? For example, is it legal to terminate:

- a driver with a bad driving record?
- an employee who is rude to your customers?
- an employee who swears at customers?

The answer is not that simple. A business' action may depend upon circumstances such as whether an employee's duties involve driving a company vehicle, or directly involves customers and if the company can prove that such behavior fails to meet the applicable job standards.

One key issue is having access to legal counsel that has expertise in this special area of the law. Another key issue is documenting the essential job functions and establishing measurable standards for each position. Use of regular performance reviews and applying the standards equally to each employee is a smart employment practice. The best defense against employment practice claims is to know the law in your state and then having policies and procedures that meet or exceed its legal standards.

The U.S. Department of Labor offers a Small Business Handbook from their Website. The U.S. Equal Employment Opportunity Commission also offers numerous publications addressing different employment laws from their Website. Contacting an insurance agent regarding Employment Practices Liability Insurance is another avenue to explore.

Policies and premiums for this type of coverage vary tremendously among insurers. Many companies offering the coverage also offer assistance in writing policy and procedure manuals and other ways to reduce the potential for claims involving sexual harassment, wrongful termination or discrimination. No business is immune from these claims.

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