



Coverage:

Employment Practices Liability

Segment:

Private Companies

Claims Scenarios

Many private companies are now realizing the value and importance of having a comprehensive employment practices liability insurance (EPLI) policy in place to protect their organization. EPLI is an important element in an enterprise risk management program. Consider the following claim example:

Third Party Harassment

A family-owned manufacturing company hired a consulting firm to improve work efficiencies. The adult son of the CEO, a company employee, had been in an auto accident years before that resulted in a brain injury—leaving him with poor impulse control and a reduced sense of appropriate social interaction. One of the consultants, a young, single woman, complained to her employer that the CEO’s son was continually making comments about her looks, asking her out for dates, leering, and making her uncomfortable. Her employer took no action, as the client was an important one to his business. She then complained to the CEO of the manufacturing company. Shortly thereafter, the manufacturing company terminated the consulting engagement, and the consultant was terminated by her employer. She filed suit against both the consulting firm and the manufacturing company.

Loss

The case is still pending after years of litigation. The manufacturing company did not have third party coverage. Its defense expenses to date of \$42,000 have been denied by the insurer. Defense expenses for the consulting firm have exceeded \$55,000.

Darwin’s Claims Handling Philosophy

A policyholder buys insurance to protect themselves. They buy insurance to pay a covered claim when they have one. An insurance partner shouldn’t hassle them when they have one that is legitimate. And Darwin will pay claims fairly – that’s what we agreed to do, that’s what policyholders expect us to do, and that’s simply the right thing to do.

Claim examples are based on hypothetical situations or composites of actual cases. It is our policy not to release claim case numbers or any specific claim details. Coverage for particular claims is subject to policy language as issued. (i-bind)sm is a trademark and service of Darwin Professional Underwriters, Inc. Coverage is provided by Darwin member companies which include Darwin National Assurance Company and Darwin Select Insurance Company. For more information about Darwin, visit www.darwinpro.com.