

67% of all employment cases that litigate result in a judgment for the plaintiff.*



 SHAND MORAHAN & COMPANY, INC.

The Problem

Businesses continue to be vulnerable to Employment Practices Lawsuits.

The Risk

Expensive litigation that frequently leads to big monetary losses for employer defendants.

The Solution

Employment Practices Liability Insurance (EPLI) from an A.M. Best “A X” rated company, offered through Shand Morahan & Company, Inc. A company with over 30 years of solid experience.

Coverage is subject to exclusions described in the policy. For complete terms and conditions, refer to the policy itself.

*Data on file with Shand Morahan & Co., Inc. Averages based on 2000 data from Jury Verdict Research.

Unfortunately for businesses, employment practices lawsuits are alive and well—and on the rise. Greater awareness of high profile cases and a weaker economy have encouraged an increasing number of unhappy employees to seek their day in court, whether they have been legitimately wronged or not.

For companies facing a charge of improper employment practices, it's irrelevant whether an employee's suit is justified or not. A defense must be mounted either way. Consequently, it is no longer a question of whether a company should carry Employment Practices Liability Insurance (EPLI), but which policy to select.

Coverage for punitive damages is one very important feature a business should make sure is included in its EPLI policy. Punitive damages are designed to punish the defendant and are in addition to any actual damages suffered by the plaintiff. The exorbitant monetary awards associated with high profile employment cases against Ford¹ and Texaco² were largely due to punitive damages.

Generally, punitive damages represent 75% or more of the total judgment awarded in an employment case.* That can boost a company's potential loss much higher, since nearly one-third of the verdicts in employment cases award punitive damages.

How likely is it that an employer will be responsible for compensatory awards? Very. Employer-defendants lose almost 60% of EPLI cases. Amounts vary depending on the case, but according to 2000 data, the median compensatory award for cases involving age discrimination is \$268,926; for race discrimination, \$120,951; and for sex discrimination, \$100,000. Overall, between 1994 and 2000, median compensatory awards have risen from \$78,592 to \$218,000.*

An EPLI pioneer, Shand Morahan has been offering one of the best employment practices insurance policies on the market for eight years. And, in addition to its excellent "All Risk" policy, Shand takes an aggressive approach to loss control, provid-

ing insureds with comprehensive employment practices protection.

A.M. Best Rating. Shand Morahan's affiliated carriers, Evanston Insurance Co., Markel American Insurance Co. and Markel Insurance Co. are all rated "A X" by the A.M. Best Company.

The Shand Advantage

EPLI policies are not created equal. Policies vary widely from carrier to carrier, meaning important coverage can be excluded.

The Shand Advantage gives insureds a broadly worded policy and an expansive coverage grant, plus the added value of an aggressive loss control program. When comparing employment practice policies, measure against the benefits found in the EPLI policy offered through Shand Morahan.

- Unique "All Risk" coverage for violation of any state, federal or local civil rights or anti-discrimination law
- "Wrongful termination" includes constructive discharge
- Punitive damages are covered where allowed by law
- No co-pay available
- Worldwide coverage
- FMLA, FLSA, USERRA
- Mergers
- Defamation
- Invasion of privacy
- False imprisonment
- Intentional infliction of emotional distress
- Vicarious liability for all intentional acts
- Contractual liability coverage for temporary and leased employees
- Automatic 60-day coverage for newly acquired entities
- Deceit, fraud and/or misrepresentation
- Negligent supervision or hiring
- Damages for breach of express contract

As a loss control leader, we offer valuable loss prevention services to our insureds:

- Confidential EPL hotline staffed by legal counsel specializing in employment law: 305-808-2080
- Loss control manual
- Loss control seminars
- Online employment practices loss control helpline: www.hrhelpline.com

Shand's program features:

- Admitted paper in 20 states
- Instant online indications
- Defense outside the limit coverage is available
- Educational seminars for brokers and retailers
- \$1,000 minimum premium for \$250,000/\$1,000,000 limit
- Deductible starting at \$1,000



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¹Warnell v. Ford Motor Co., Nos. 98C1503, 98C5287, 1999 U.S. Dist. LEXIS 16563 (N.D.ILL. 10-18-99)
²Roberts et al v. Texaco, Inc. et al., No. 94 Civ.2015 (S.D.N.Y.)

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