



Employment Practices Liability Insurance for Private Companies and Non-Profit Organizations

Employment practices liability exposures continue to increase and take on new dimensions for private and non-profit organizations. Ongoing developments at the U.S. Equal Employment Opportunity Commission (EEOC), constantly evolving caselaw, as well as continuing changes coming from state and federal legislatures, make it increasingly difficult for employers to navigate this expanding exposure.

AIG's comprehensive Employment Practices Liability (EPL) insurance coverage is supplemented with industry-leading loss prevention services that go beyond the typical scope of protection. Clients are additionally supported by an integrated claims model and dedicated professionals, enabling efficient, consistent claims handling and best possible outcomes.

Coverage Details

- Provides coverage to employers for defense costs and damages, including judgments and settlements, for employment-related claims, including but not limited to allegations of wrongful termination, discrimination, workplace harassment, and retaliation
- Coverage protects against liability arising from employment practices with respect to claims by current, former, or potential employees
- Coverage includes protection against liability arising from a third-party, such as a customer, vendor, service provider, or other non-employee, for discrimination or harassment
- Provides coverage for the entity and its subsidiaries, as well as its employees and executives

Market-Leading Underwriting and Appetite

- More than six decades of industry knowledge, resources, and data enable AIG to offer tailored, sustainable, and creative coverage solutions
- Dedicated underwriters across the U.S. focus on providing best-in-class service to clients and brokers
- Broad appetite for private and non-profit organizations of any size across industry sectors
- Holistic multinational capabilities with rapid turnaround to help protect clients wherever they operate

Exceptional Claims Support

- Integrated claims model combining underwriting and claims expertise provides clients with exceptional service and a smooth, collaborative claims process
- In-house claims expertise and national network of panel firms help clients achieve best possible outcomes in the most efficient manner
- Claims professionals are empowered to make decisions in a timely manner when response time matters most to clients

EPL Pak[®] Premier

AIG provides EPL primary policyholders industry-leading loss prevention offerings via EPL Pak Premier. This suite of preventive training, loss control, and risk management tools is designed to help insureds manage their unique employment practices risks.

EPL Pak Premier's resources are exclusive to AIG and provide access to two of the nation's foremost law firms with a depth of experience in employment and workplace law, Littler Mendelson, P.C. and Jackson Lewis, P.C.

Claims Scenarios

Industry: Financial Technology

Location: Ohio

Size: 8,000+ employees

An employee of an insured payment processing company complained to Human Resources that he felt he was passed over for a promotion despite being more qualified than the person who received the promotion, allegedly due to his national origin. An internal investigation was performed as a result of his complaint, and no discrimination was found. Nine months later, the employee was informed his position would be eliminated as part of a reduction in force. Shortly thereafter, the now former employee filed a lawsuit against the insured for alleged race discrimination, national origin discrimination, age discrimination, and retaliation. The insured disputed the discrimination allegations, noting that the employee did not raise any of these concerns until after learning his role would be eliminated. AIG worked closely with the insured and defense counsel to fully understand the scope of the matter. Based on the insured's thorough and objective investigation into the complaints, AIG supported moving forward with litigation even though it would have been less costly to settle. A jury ultimately returned a verdict in favor of the insured. The AIG policy covered defense costs of over \$250,000 above the \$250,000 retention.

Industry: Hospitality

Location: Tennessee

Size: 1,000+ employees

A guest of an insured hotel filed a lawsuit against the hotel's management for race discrimination, unlawful public accommodation discrimination, intentional infliction of emotional distress, and breach of contract following an incident inside the hotel. The guest alleged that he was in the hotel lobby when he was approached by a security guard, who demanded that he prove he was a hotel guest. Despite providing his room number, the police were called, and he was instructed to leave the premises. Upon receipt of the claim, AIG worked diligently with the insured to understand the events that had occurred and agreed that settling the matter would be the appropriate course of action, along with recommending that the insured implement an employee training program, available with their AIG EPL policy, to avoid a recurrence. Under its third-party coverage provision, the AIG policy covered \$125,000 of costs above the \$125,000 retention.

Industry: Healthcare

Location: California

Size: 4,000+ employees

A former employee of an insured healthcare facility filed a lawsuit against the company, alleging disability discrimination, failure to accommodate, failure to engage in the interactive process, harassment, failure to prevent discrimination, retaliation, and wrongful termination, all in connection with a medical condition. While with the company, the employee requested a six-month leave of absence to undergo medical treatment and recovery. The insured granted this leave and also a subsequent two-month extension but declined a request for another extension and ultimately terminated her employment. The employee was advised to reapply for available positions when she was ready to return to work. AIG worked closely with the insured to understand the factors leading to the decision to terminate and develop a defense strategy. While the plaintiff's economic damages were relatively low (with an annual salary of less than \$50,000), AIG's experience, thorough investigation of the matter, and mock jury trial indicated that a plaintiff's award was more than likely to be extremely high due to the sympathy factor. An offer of judgment was made in an attempt to settle the matter before a trial and within the policy limit, despite the initial demand having been in excess of the limit. The matter ultimately settled for over \$4M, with an additional \$300,000 incurred in defense fees above the \$100,000 retention.

AIG has more than six decades of experience providing management liability solutions for private and non-profit organizations and their directors, officers, and employees. Our extensive experience, expertise, and insights enable us to tailor solutions that meet our clients' individual needs. Coverage is backed by AIG's financial strength, integrated claims model, and proven claim expertise, ensuring that we are there for our clients when they need us most.

Contact

For more information, please contact your local Financial Lines Private Non-Profit Accounts underwriter or email FinancialLines@aig.com.



The scenarios described herein are offered only as examples. Coverage depends on the actual facts of each case and the terms, conditions and exclusions of each individual policy. Anyone interested in the above products should request a copy of the standard form of policy for a description of the scope and limitations of coverage.

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