What Does EPLI Cover?
Available as a policy endorsement or stand-alone coverage, a few EPLI claims examples include:

- **Sexual harassment**: The harassers can be senior managers, supervisors, or coworkers or even non-employees.
- **Discrimination**: This includes unlawful treatment based on religion, age, ethnicity, gender, disability, skin color, sexual orientation or race.
- **Wrongful termination**: According to the Equal Employment Opportunity Commission (EEOC), this is the most common claim brought against employers.

Other EPLI claims examples covered are breach of an employment contract, negligent evaluation, failure to employ or promote, wrongful discipline, deprivation of a severance opportunity, wrongful infliction of emotional distress and mismanagement of employee benefit plans.

Trending Employment Practices Liability Claims
According to industry experts, retaliation and sexual harassment claims, gig worker classification, the gender pay gap and medical marijuana usage are among the top trending employment practices litigation cases in 2020. Moreover, the average cost of employment-related claims is rising, along with the length of time it takes to resolve a claim.

Let’s take a closer look at the above trending EPLI claims and the actions employers can take to reduce them.

EPLI Trend #1: Retaliation Claims on the Rise
One of the more startling employment practices liability insurance statistics is that more than half of EEOC claims filed in 2018 involved claims of retaliation.

**Action plan for employers:**
- Establish a policy against retaliation and educate teams
- Implement a confidential process for managing complaints and communicating the anti-retaliation policy to complaining employees
- Document everything

EPLI Trend #2: #MeToo Movement Results in Spike of Sexual Harassment Claims
Sexual harassment claims represented roughly one-third of all EEOC claims filed. This includes LGBTQ-based sexual harassment charges, which have risen steadily for the past five years.

**Action plan for employers:**
- Develop clear policies against sexual harassment
- Provide training to prevent sexual harassment
- Create a company culture that does not support sexual harassment

EPLI Trend #3: Gig Economy Leads to Increased Wage and Hour Litigation Threat

**Fair Labor Standards Act (FLSA) lawsuits increased dramatically over the last decade. Many of these lawsuits involve gig worker classification disputes.**

**Action plan for employers:**
- Be ready to prove that your workers are classified correctly
- Keep up with hourly laws, such as AB5 in California
- Use the FLSA Handy Reference Guide

EPLI Trend #4: The Gender Pay Gap Remains
Full-time salaried women earned 81% of what men earned in 2018, according to the U.S. Bureau of Labor Statistics.

**Action plan for employers:**
- Create policies that help women succeed, such as flexible hours and parental leave
- Develop mentorship opportunities for women
- Provide equal pay

EPLI Trend #5: Marijuana Legalization Impacts the Workplace
As of January 2020, at least 11 states allow recreational marijuana usage and more allow medical marijuana. EPLI Trend #5: Marijuana Legalization Impacts the Workplace

**Action plan for employers:**
- Create drug policies that focus on maintaining a safe workplace
- Develop mentorship opportunities for women
- Provide equal pay
- Provide training to prevent sexual harassment
- Create a company culture that does not support sexual harassment

The Repercussions of an EPLI Insurance Claim
Claims against an employer can be emotionally and financially devastating. Beyond damaging a company’s reputation, an employment claim can lead to lower morale, diminished productivity, lost trust and thousands in legal expenses. In fact, the average cost for defending and settling employment law cases is over $300,000 — enough to stagger any small business.

For more information about EPLI insurance and other small business insurance solutions from AmTrust, please contact us today.