

# EMPLOYMENT PRACTICES LIABILITY INSURANCE

Employment-related lawsuits are a growing concern for employers of all sizes, including home-based businesses. CDS Insurance Services can help you manage all your business risks, including employment practices liabilities.

## What is Employment Practices Liability Insurance?

Employment practices liability (EPL) insurance is a policy used to cover your risks due to some of the most common employment-related lawsuits, including the following:

- Wrongful termination: The discharge of an employee for invalid reasons.
- Discrimination: The denial of equal treatment to employees who are members of a protected class.
- Sexual harassment: Subjecting an employee to unwelcome sexual advances, obscene or offensive remarks, or the failure to stop such behavior.

EPL works to provide the necessary resources to defend your company against a lawsuit or to pay for a claim. To best understand how to cover your EPL risks, it's important to know the potential sources:

- Recruitment practices
- Employment applications
- Employment offers
- Employee orientation process
- Annual conduct reviews
- Enforcing performance policies
- Termination
- Improper documentation of the items listed above

## Additional Information

Evidence of desirable employment practices and policies may be required for an EPL policy, and will certainly help defend against a suit (even for a small, home-based business with only a few employees). The underwriter may require a copy of the following policies to show that you are taking steps to reduce your risks:

- Sexual harassment
- Equal opportunity
- Termination
- Internet usage/employee privacy
- Internal job postings
- Discrimination
- Disability and accommodations
- Employee discipline
- Performance evaluations
- Leaves of Absence
- Hiring and interviewing
- Resolution/arbitration

## Avoid a Lawsuit

As costs for litigation and damage awards climb, experts predict that employment liability will only become more complex. As a result, it is critical for business owners to understand their exposures and options for managing risks.

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<http://www.cdsinsurance.com>  
626.610.9500



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