

# THOR

INSURANCE FINANCIAL

## Mitigating Employee Legal Action – Employment Practices Liability

Employee legal action against employers has jumped dramatically arising from constructive or wrongful dismissal, failure to promote, breaches of occupational health & safety legislation, and much more including the emergence of #MeToo and COVID. Legal costs, time away from your business and reputational damage makes any employee litigation unpalatable.

Although you think of your team as family and believe that they would never sue you, lawsuits filed by employees are one of the most common causes of litigation for business owners. These suits can be extremely costly. Regardless of whether you win the case or not, you are still paying for attorney's fees and taking time away from your growing your business.

**Employment Practices Liability (EPL)** insurance provides protection to your organization from allegations of harassment, wrongful or constructive termination including costs to defend your company and funds for damages from successful suits. Even if you never lose a legal action, legal defense costs provided by this policy can make it a worthy investment.

### How can you meaningfully impact your cost of insurance?

The best insurance claim is the one that never happens. What tools can help you avoid legal action?

Although a strong insurance policy can protect your business from employee legal actions, the best solution is avoidance, don't allow employee litigation to impact your business. Claims and lack of proper risk control measures are the largest drivers of insurance cost increases.

The only way to differentiate your business in this space is to become 'best in class' at managing your risk. Insurance policies become contingency plans and actively managing your risk is a primary activity. Every insurance solution has a complimenting risk control activity.

In the last two decades, the frequency of Employment Practices lawsuits has risen an astounding 400%. Employers must be vigilant when it comes to protecting themselves against claims of discrimination.

**Strong policies and procedures** – we make available to our clients, HR toolkits including employment contracts, handbooks, corrective action plans and more which can be expensive to source and implement. We partner with companies providing customizable solutions for small and mid-sized companies,

**Employee Assistance Plans (EAP)** and other Employee Benefit solutions can help you become an Employer of Choice. Employee stress is at an all-time high in these unprecedented times. Access to counseling and a vast array of other services can help employees who feel they are at the end of their rope.



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