



# Product Profile

## CorporateGuard Employment Practice Liability

As a result of increased UK employment legislation, the possibilities for employment actions against businesses are multiplying. Most staff are aware of their rights and are quite prepared to take action against their employers if they think these rights are being breached. Meanwhile compensation awards are reaching six, even seven figures in the UK, setting precedents and giving employees everywhere a context for their own grievances. Of course, outside the UK, companies with any kind of US exposure face the full force of class actions and a history of huge settlements (“normal” for domestic US businesses who understand EPLI, but potentially devastating for a growing UK company, with say a small US outlet).

### Cover Includes

- The company, and all employees including seasonal and temporary workers
- Broad definition of employment practice violation
- Outside directorship cover
- Automatic cover for new subsidiaries within the asset threshold
- (excluding those domiciled in North America)
- Legal fees and expenses for any official investigation by the
  - Equal Opportunities Commission (UK)
  - Commission for Racial Equality (UK)
  - Equal Employment Opportunity Commission (USA)
- Advancement of defence costs
- North America exposure (subject to conditions)

### Cover Excludes

- Circumstances existing prior to the continuity date
- Employment-related benefits (as defined)
- Insured v Insured
- Transfer of Undertaking (Protection of Employment)
- Regulations 1981
- Redundancy payments

### Target Market

All public and privately owned companies.

### Indemnity Limit

Up to £15 million in aggregate.

### Insured

- The company (policyholder and subsidiaries)
- Directors, officers and employees

**CorporateGuard EPLI covers** legal costs, expenses and compensation awards for a wide range of employment practice violations.

**EPLI covers actual or alleged violations** (even unfounded ones can take time and money to defend).

**Cover is worldwide** so it doesn't matter where you are represented. It protects everyone in the company (past or present) from the Chairman to individual contractors and temporary staff. It even covers your directors while they are working for outside companies.

Perhaps most important of all, AIG companies have a long and successful track record of defending our business clients in this area, so your clients' interests will be tenaciously defended by a company that really knows what it is doing.

**Employment Practice Liability is one of a range of CorporateGuard products from AIG. Scope and terms are subject to the terms and conditions of the policy. A specimen policy is available on request.**



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## Broker Facts

### Policy covers the company and all employees (including directors and officers)

Any employee suing in respect of an alleged employment practice violation is likely to direct their action at their employer who, in most circumstances, will be the company. They may, particularly in cases of discrimination, also name individual colleagues, supervisors or directors. It is therefore important to protect both employees and the company.

### Broad definition of employment practice violation

The comprehensive nature of the employment practice violation definition including, specifically, claims made pursuant to the Employment Rights Act 1996 gives employees and the company wide protection.

### Outside Entity cover

Directors and officers asked to take an outside board position have the comfort of knowing that this extension will provide cover similar to that provided to them whilst acting in their capacity as a director or officer of the insured company.

### Automatic subsidiaries cover

Policy covers actions against subsidiaries purchased by the policyholder for employment practice violations committed after the purchase date. NB only subsidiaries whose total gross assets do not exceed 15% of the total consolidated assets of the policyholder and are not domiciled in the USA/Canada

### Independent contractors

Subject to indemnity being provided to them by the company, independent contractors have the comfort of knowing that there is insurance in place to cover them in the event of employment practice violations made against them.

### Investigation costs

Legal fees and expenses for any official investigation conducted by the Equal Opportunities Commission (UK), the Commission for Racial Equality (UK), and the Equal Employment Opportunity Commission (USA)

### Advancement of defence costs

This relieves any short-term financial hardship when an employee or the company becomes involved in expensive litigation.

### North America exposure

Unless a restriction is imposed, this policy is deemed to be worldwide for claims made in the USA and Canada. This is an important feature as the USA is the most active territory in the world for EPL litigation.



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