

Real-life examples of insurance at work

# Coverage in Action

From  
The Heritage Group



Why Do I Need...

## Employment Practice Liability Insurance?

As a business owner, you strive to hire qualified employees to work for you. Unfortunately, as you are well aware, not every hiring decision goes as planned. Even if an employee is terminated for legitimate reasons—such as poor attendance or unsatisfactory work habits—every termination opens the door for potential lawsuits. Read on to learn from one business owner's experience and find out how employment practice liability insurance (EPLI) can help protect you and your organization from costly, frivolous lawsuits.

When Mary, a Virginia business owner, received a complaint that her sales manager made crude, disparaging remarks to a female employee during a trade show, Mary took the claim seriously and conducted an investigation. During the course of her investigation, Mary spoke with another employee who witnessed the incident firsthand. According to this employee, the sales

manager's actions were offensive and harassing. Ultimately, after much deliberation, Mary fired the sales manager for his behavior.

Weeks later, the employee that witnessed the incident sued Mary for \$500,000, claiming that after the incident, Mary had

passed her up for promotion and assigned her poor sales territories, all because she came forward with the details of what happened at the trade show.

Although the lawsuit was groundless, Mary racked up hefty legal bills defending herself against the allegation.

Lawsuits like the one Mary faced can come out of left field and are much more common than you'd think. In fact, three out of five employers will be sued by a prospective, current or former employee while they are in business. EPLI can help mitigate these risks by providing the necessary resources to defend your

company against a lawsuit or pay a claim.

As costs for litigation and damage awards climb, experts predict that employment liability will only become more complex. Call The Heritage Group today to learn more about EPLI and discuss your employment-related risks.

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**"If you have employees, you will get sued."**

- Mary, Virginia business owner

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