

EPLI Claims Q&A

The EPLI Policy is your insurance contract with Underwriters. To ensure you receive the full benefits of the insurance contract you have purchased, you should read the Policy carefully. What follows is intended to be advisory in nature only. If you have any questions about any of the Policy's terms, conditions, provisions and/or exclusions, or if you have any questions about how the Policy operates, please contact your broker immediately.

WHAT IS A CLAIM?

A. Please take some time to review the definition of "Claim" found in the Definitions Section of your Policy. As you will see, a "Claim" can be many things and is more than just a lawsuit. A "Claim" can be:

1. the filing of a civil lawsuit or arbitration proceeding;
2. the filing of a criminal lawsuit or the institution of criminal proceedings;
3. an EEOC or DFEH proceeding or other similar federal, state or local administrative proceeding;
4. a written demand for monetary damages or non-monetary relief;
5. a written notice that one of your employees intends to hold you responsible for a Wrongful Employment Practice; or
6. a written notice that a non-employee, such as a customer or client, intends to hold you responsible for Third-Party Discrimination;

WHAT SHOULD WE DO IF WE RECEIVE A CLAIM?

A. In the event you receive a Claim, you must immediately notify Underwriters' Authorized Representatives. The contact details for Underwriters' Authorized Representatives appear on the Declarations Page of your Policy and are noted below as well. You should make certain that those individuals in your company who are responsible for receiving notifications of Claims are aware of the procedures to follow in the event of a Claim. These procedures are set forth in detail in the notice provisions of your Policy. Please take some time and review these provisions. Failure to comply with the Policy's provisions as respects proper and timely notice of Claims may jeopardize your rights to coverage.

CAN WE APPOINT DEFENSE COUNSEL OURSELVES IF WE RECEIVE NOTICE OF A CLAIM?

A. No. Please do not appoint defense counsel yourselves. Pursuant to the terms of the Policy, Underwriters have the right to either appoint counsel or, in some instances, approve your choice of counsel. Under no circumstances, however, should you assign the Claim to counsel without first speaking to Underwriters' Authorized Representatives. Underwriters will not pay for any costs incurred by counsel: 1) prior to receipt of Claim notification by Underwriters' Authorized Representatives; and 2) unless that counsel has been appointed or pre-approved by Underwriters.

ARE WE ALSO REQUIRED TO NOTIFY UNDERWRITERS ABOUT INCIDENTS/POTENTIAL CLAIMS?

A. You have the option of notifying Underwriters of incidents that do not rise to the level of Claims. Perhaps your employee has made just a verbal complaint and is threatening to file a lawsuit. Or perhaps someone in your company tells you they have witnessed discrimination and/or harassment. While these are not technically "Claims," Underwriters may consider them notice of potential Claims. You do not have to give Underwriters notice of these potential Claims, although it is usually prudent to do so. Any Claims arising from potential Claims will be deemed first made on the date notice is given. Notices of potential Claims are given to Underwriters' Authorized Representatives in the same way notices of Claims are provided.

CAN WE SETTLE CASES WITHOUT OBTAINING UNDERWRITERS' CONSENT?

A. No. Underwriters will not pay any settlement amounts in connection with settlements to which they have not expressly consented.