



Employment Practices Risk Management Association Certificate of Membership

Member Number: Sample

Member Name: *SampleL.L.P*

Contact Name: Sample

Phone:

Email:

Benefits of Membership:

- **An Employment Law Helpline:** Members have unlimited access for employment-related questions to the seasoned employment attorneys of Burke, Warren, MacKay and Serritella, thereby helping to avoid claims before they start. Please have your EPRMA member number available when you call **1-877-376-4100**.
- **Comply America Training:** An internet-based EEO Compliance Training program that is interactive (compliant with California AB 1825) and provides managers/supervisors with “best practices” tools for effectively avoiding discrimination and harassment claims in the workplace. A separate training program is provided for non-managers on sexual harassment compliance and their own responsibilities in the workplace.
- **Criminal Background Checks:** For all new and recently promoted supervisors and managers. This program will reduce your company’s exposure to employing high risk managers. For more information, please see www.eprma.org
- **Follow EPRMA on Twitter.** Get news and information on important Employment Practices risk management issues. Martin LaPointe comments on recent claim cases and helpline calls that may impact your business. <http://twitter.com/eprma>

A representative of EPRMA / Comply America will contact the individual designated above.

If you have any questions, please e-mail Sally Niehoff at Memberservices@eprma.org or call toll free at 1-877-288-9838 Pin #0946. Please have your EPRMA member number handy when you call.

INSURED FREQUENTLY ASKED QUESTIONS DOCUMENT
Torus Insurance

Employment Practices Liability Insurance

SOME IMPORTANT TIPS FOR ALL POLICYHOLDERS

The Policy is your insurance contract with Torus Insurance e.g. Company. 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 helpful guidance to understanding your policy and services. If you have any questions about any of the Policy's terms, conditions, provisions and/or exclusions, or if you have any questions about the Policy or services, please contact your broker or agent immediately.

Q. WHAT ARE OUR FREE SERVICES AND HOW DO I USE THEM

A Risk Management Services: (Provided at No Additional Charge)

1. **Employment Law Helpline:** *Unlimited Access* to the employment attorneys of the law firm Burke, Warren, MacKay & Serritella for employment-related questions. The firm will also assist with employee handbooks and other human resources documents.
2. **Comprehensive Criminal background checks:** Criminal background checks for newly hired or promoted supervisors or managers conducted by certified experts will reduce the risk of hiring problematic employees. Policyholders receive reduced pricing for additional background checks.
3. **Comply America's internet-based training courses** (both now available in Spanish and English): The courses have been approved by the Federal Courts, EEOC, and are compliant with California AB 1825's sexual harassment training requirements.
4. Call your comply America representative to access to answer any questions

Q. HOW CAN OUR RETENTION BE REDUCED WHEN WE HAVE CLAIMS FOR WRONGFUL DEMOSION OR TERMINATION CLAIMS?

- ➔ **A.** Company agrees to reduce your Retention by 50% if you obtain and adopt the written advice of a labor and employment law firm recommended or approved by Company prior to the termination of an employee. In the unfortunate event your company is notified of wrongful termination Claim as respects events arising from that employee's termination, the Retention that applies to that Claim will be reduced by 50%. Please let your broker know if you need a recommendation for a labor and employment firm in your area. If you already have a firm that you wish to consult with, please let your broker know the name of that firm. Please do not seek advice from any firm without first obtaining Company' consent.

Q. 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:

Claim means an **Employment Claim** and a **Third Party Claim**.

- a) A written demand for monetary, non-monetary or injunctive relief;
- b) A civil or criminal judicial, administrative, regulatory, or arbitration proceeding (except an investigation) that is commenced by the service of a complaint, filing of a criminal information or indictment, or similar document;
- c) A civil, criminal, administrative, or regulatory investigation of an **Insured Person** that is commenced by the filing or issuance of a notice of charges, target letter, Wells Notice, or formal order of investigation identifying such **Insured Person** as a person against whom a proceeding identified in 2. above may be commenced;
- d) A request, order, or demand by a regulatory, administrative, governmental or similar authority to interview or depose an **Insured Person**; or
- e) A written demand for arbitration.
- f) An appeal from any **Claim**; or A written request to toll or waive an applicable statute of limitations or a contractual time-bar relating to any potential **Claim**, described in paragraph 1. above.

Q. WHAT SHOULD WE DO IF WE RECEIVE A CLAIM?

- A. In the event you receive a Claim, you must immediately notify Company' Authorized Representatives. The contact details for Company' 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.

Q. 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, Company has 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 Company' Authorized Representatives. Company will not pay for any costs incurred by counsel: 1) prior to receipt of Claim notification by Company' Authorized Representatives; and 2) unless that counsel has been appointed or pre-approved by Company.

Q. ARE WE ALSO REQUIRED TO NOTIFY COMPANY ABOUT INCIDENTS/POTENTIAL CLAIMS?

- A. You have the option of notifying Company 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,” Company may consider them notice of potential Claims. You do not have to give Company 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 Company’ Authorized Representatives in the same way notices of Claims are provided.

Q. CAN WE SETTLE CASES WITHOUT OBTAINING COMPANY’ CONSENT?

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

Other Responsibilities

Q. WHAT SHOULD WE DO IF OUR COMPANY MERGES WITH OR ACQUIRES ANOTHER COMPANY?

- A. There is a “Changes in Exposure” clause in your Policy that addresses these situations. You have automatic “free” coverage for newly acquired companies during the policy period if the number of employees you acquire does not exceed 50% of the total employee number at the beginning of the policy period (as noted on the application or renewal application). Should the employee count exceed 50%, you will need to inform Company via your broker and your premium may be adjusted accordingly.

Q. WHAT SHOULD WE DO IF WE NEED TO CANCEL THE POLICY?

- A. While the Policy is non-cancelable by Company except for non-payment of premium, you may cancel the Policy at any time by giving Company written notice via your broker.

Q. WHAT SHOULD WE DO IF WE WANT TO INVOKE THE EXTENDED REPORTING PERIOD?

- A. In the event of non-renewal or cancellation, you have the right to purchase an Extended Reporting Period upon payment of additional premium as outlined in your Policy. Company will require a written request for the Extended Reporting Period

within 30 days from the effective date of the non-renewal or cancellation. That request should be made via your broker. The additional premium is payable to Company within 45 days. Any Extended Reporting Period additional premium is deemed fully earned upon payment.

Q, WHAT SHOULD WE DO IF WE ARE PLANNING TO HAVE A REDUCTION IN FORCE?

- ➔ **A.** A reduction in force is obviously a very stressful time for your company and an event that may affect EPL insurers as well. Company will provide coverage for the usual types of Claims that arise in connection with and/or are associated with a reduction in force but Company ask that you exercise caution before laying off any employee by consulting with a lawyer who specializes in labor and employment law. Please let your broker know if you need a recommendation for a labor and employment firm in your area. You may also consult with your in-house counsel if he/she has experience in labor and employment law.

The above noted tips do not change or replace your Policy in any way and you should read your entire Policy, not just these tips. If you have any questions or concerns with regard to your Policy please contact your broker / Agent immediately.