

Employers Practice Liability Coverage – why you need it...

Employees... employees... where are all the employees? Today's world is faced with some very unique and difficult challenges. One of the major challenges businesses face is no one wants to work, thus staffing your facilities with knowledgeable & experienced personnel remains difficult. With the staffing shortages employers could be forced to have the current staff work more hours who end up getting burned out, or employers may just have to hire anyone willing to work. Due to desperation it's understandable why we would hire some not so qualified employees to mitigate staff shortages. While it may seem like a logical alternative option, it could turn into a nightmare. With this challenging scenario it also brings with it some legal obstacles which could have an impact on you and your facility.

With the litigious world we live in, employers also need to protect themselves from employees. The EEOC states that employee allegations against employers are reaching close to 250 cases per day! They also state that the healthcare industry is one of the more "attractive" industry's for employees to file claims.

Additionally, even though you cannot be present 24/7 at your facility, you as the owner are responsible for what occurs at and on the premises. You are responsible not only for your actions, but also the actions of your staff. If someone alleges a form of discrimination, if proven true, you could be held responsible for allowing an attitude of discrimination to exist. If you paid someone incorrectly, due to a recent change in employment law, you are held accountable, whether you were aware of the change or not. There are a myriad of rights that employee have and some that are very easy to violate.

So how do you protect yourself? One way is through your Employment Practice Liability Insurance "EPLI" policy.

EPLI provides coverage for Employers against claims made by employees alleging discrimination, harassment, wrongful termination. The risk of being sued can begin as early as the interview. If you choose not to hire someone, they could allege they were discriminated against and that's why they were not hired. Now instead let's say you did end up hiring that person that was interviewed. The new employee ends up being late a lot or just not doing a good job, so you decide it's time to terminate them. They could turn around and sue you for wrongful termination. Without EPLI Insurance, that is money coming out of your pocket for attorney fees and possible judgement. The average cost of defense for this type of suit is roughly \$10,000 + with an average verdict of over \$100,000.

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Healthcare Facility Risk Insurance Specialists

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Along with EPLI there are other measures employers should take to mitigate these claims, such as:

- Develop an employee handbook outlining in depth all company policies and procedures.
- Go over your employee handbook at the time of hire and make sure the employee signs an acknowledgement statement.
- Make sure you follow the policies and procedures you set in place. Not following them or even getting relaxed with them could open up the potential to be sued.
- Create job descriptions that clearly define the employee's duties.
- Conduct performance reviews and keep them in the employee file.
- Make sure you keep a record and document everything when issues arise.
- Finally take a look in the mirror. Would you want to work for yourself? Are you a good employer? Do you keep staff morale up? Why would someone choose to work for you?

While this isn't a foolproof plan, it's proven that employers that treat their employees well have loyal employees who treat your business like their own.

Additional benefits of an EPLI policy aside from providing defense coverage in the event of a claim, could include Risk Management Services which will provide training to key personnel in these critical areas; Abuse Prevention, Sexual Harassment, Discrimination and Smart Hiring. They may also provide access to a Best Practices Knowledge Base, Self-Assessments, and a Model Employee Handbook, just to name a few. With these practices in place could assist toward either having no claims or mitigating one. Remember these type of claims can reflect your image in the community you do business in.

Anyone can commit an error which could lead to an employee's allegation as dictated by both federal and state law. Then you are left with no choice but to defend yourself. You will do that by either paying for it out of your pocket or having the expertise and experience of the insurance company's claims team on your sidethe choice is yours, and we are here to guide you through this process. We're here when you need us.



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