

ABA EMPLOYERS EDGESM: EMPLOYMENT PRACTICES LIABILITY INSURANCE (EPLI) FOR LAW FIRMS

An EPLI Policy Endorsed by the American Bar Association (ABA)

Claims involving employment issues comprise a significant amount of today's civil litigation. No organization is immune from employment practices liability litigation, least of all law firms. For example:

A minority associate, who was laterally hired by a firm with multiple locations, was assured there would be ample work and opportunity for him in his specialty at this new firm. Two years later, the chief rainmaker left the firm, taking his clients with him and, as a result, the firm downsized considerably. After the firm offered the associate a transfer to another office location and the associate declined this offer, he and the firm ended their employment relationship. Soon after, the associate filed suit alleging he was constructively discharged, discriminated against in salary and assignments, and that he was not considered for partnership, all due to race discrimination.

The suit went to trial and the jury found in favor of the plaintiff on all counts. Although the associate had been employed with the firm for less than two years, the jury awarded him \$1 million in compensatory damages and \$1.5 million in punitive damages. After the case was reversed and remanded, it was settled for an undisclosed amount prior to a second trial.

In response to these concerns, Westchester, a Chubb Company presents *ABA Employers EdgeSM: EPLI for law firms*. Developed in partnership with American Bar Insurance Plans Consultants, Inc. (ABI), and endorsed by the ABA, ABA Employers Edge offers comprehensive employment practices liability protection to law firms. We designed ABA Employers Edge to meet the special needs of the law firm community through broad coverage features, superior claims-handling, and valuable risk management services.

Coverage Features

- Punitive damages coverage (where insurable by law)
- Third party coverage for claims for harassment or discrimination brought by clients or other third parties
- Coverage for claims by partners and for claims for failure to make partner
- Independent contractor, leased employee, and volunteer coverage
- Expanded coverage of defense costs, including defense cost coverage for breach of written employment contract claims
- Settlement discretion to the insured for amounts up to 50% of the applicable retention without the prior consent of the insurer
- Prompt advancement of defense costs and, for qualified firms, the right to choose counsel
- Optional incident reporting of potential claims
- No "intentional acts" exclusion or "other insurance" clause
- Broad extended reporting period options
- Worldwide coverage
- Non-cancelable by the insurer (except for non-payment of premium)
- \$25 million in limits available

Risk management services include access to a toll-free hotline staffed by employment attorneys; access to ChubbWorksSM, a comprehensive Web-based news and training resource; an educational newsletter on employment practices topics, an employment practices audit, and a loss prevention manual with guidelines, policies, and procedures for following employment-related laws and regulations and minimizing the risk of violations.

This material contains product summaries intended for use solely by properly licensed insurance professionals. The insurance policy actually issued contains the terms and conditions of the contract. All products may not be available in all states and surplus lines products can be offered only through licensed surplus lines producers. Insurance provided by Westchester Fire Insurance Company and its U.S. based Chubb underwriting company affiliates. Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at www.chubb.com.