

# Employment Practices Liability

## COVERAGE CHECKLIST

### Why your clients need our protection

Employers, big and small, are subject to federal and provincial laws regarding employment practices. The number of employment-related lawsuits has steadily increased over the years. This may be attributable to challenging economic conditions, shifting demographics and an ever-evolving litigation environment.

Specifically designed to meet the needs of today’s employers, Travelers Canada employment practices liability offering combines comprehensive coverage features and expert claims handling.

Coverage	Travelers policy	Their policy
<b>Broadened definition of insured</b> – Includes the insured organization and its subsidiaries, even when operating under protection of Companies’ Creditors Arrangement Act or as debtor-in-possession under Chapter 11 of the U.S. Bankruptcy Code; members of board of directors and officers, including de facto directors and officers; members of boards of trustees, regents and governors; natural person partners; LLC Managers; functional equivalent positions	✓	
<b>Broadened definition of subsidiary</b> – Entities greater than 50 percent-owned, non-profits over which the named insured has the ability to exercise management control, 50 percent-owned joint ventures under insured organization’s sole control	✓	
<b>Broadened definition of employment claim includes:</b> <ul style="list-style-type: none"> <li>• Written demand for monetary damages or nonmonetary relief</li> <li>• Civil proceeding</li> <li>• Criminal or penal proceeding</li> <li>• Formal administrative or regulatory proceeding</li> <li>• Arbitration or mediation or similar alternative dispute resolution proceeding</li> <li>• Written request to toll or waive statute of limitations</li> <li>• Request for extradition</li> </ul>	✓	
<b>Definition of employee</b> – Includes part-time, temporary and seasonal workers; volunteers; leased workers; and interns	✓	
<b>Broadened definition of wrongful employment practice includes</b> – Discrimination, retaliation, sexual and workplace harassment, wrongful termination, breach of an employment agreement, wrongful discipline or demotion, negligent hiring, supervision, training or retention, employment-related defamation and misrepresentation; failure or refusal to employ, promote or grant tenure	✓	
<b>Definition of loss</b> – Includes multiplied damages, punitive damages and exemplary damages if insurable under the law of a jurisdiction that (i) is most favourable to the insurability of such damages and (ii) has a substantial relationship to the Insured, Claim, Insurer, or the EPL Coverage Section	✓	
<b>Canadian wrongful termination claims</b> – Where settlement amounts exceed both the minimum amount payable under applicable employment standards law and a good faith offer made by the insured organization, coverage for such excess amounts is available	✓	
<b>Outside position coverage for claims brought by outside claimants</b> – Automatic coverage for insured persons who serve as directors, officers, trustees, members of a board of managers, regents or governors, or functional equivalents, at the request of or as part of the duties regularly assigned by the insured organization	✓	
<b>Third party claim coverage</b> (optional)	✓	
<b>Spousal and domestic partner liability coverage</b>	✓	
<b>No fraud exclusion or intentional acts exclusion</b>	✓	
<b>Defence expenses outside the limit of liability</b> – Available on eligible accounts	✓	

Coverage	Travelers policy	Their policy
<b>Additional defence coverage:</b> <ul style="list-style-type: none"> <li>Option to select additional defence limit of liability</li> <li>Survives exhaustion of base limit of liability</li> </ul>	✓	
<b>Defence option</b> – Option to select duty to defend or reimbursement coverage at policy inception	✓	
<b>Duty to defend</b> – 100 percent pre-determined allocation of defence expenses for employment claims against any insured	✓	
<b>Worldwide coverage</b> – Applies to employment claims made and wrongful employment practices occurring anywhere in the world where legally permissible. Includes option to pay loss in mutually acceptable jurisdictions, where permissible, or payment of loss to the named insured on account of its financial interest in an insured organization	✓	
<b>Flexible limit options:</b> <ul style="list-style-type: none"> <li>Choice of individual or shared limits of liability</li> <li>Option to select annual reinstatement of limit of liability</li> </ul>	✓	
<b>Extended reporting period:</b> <ul style="list-style-type: none"> <li>Bi-lateral optional extended reporting period – Available if insurer or named insured cancels or fails to renew</li> <li>Run-off extended reporting period option – Available for a pre-determined premium upon change of control of named insured</li> </ul>	✓	
<b>No ‘hammer’ clause</b>	✓	
<b>Duties in the event of employment claim</b> – Triggered upon knowledge of an executive officer	✓	
<b>Ability to report potential claims during optional extended reporting period or run-off extended reporting period</b>	✓	
<b>Other insurance</b> – Policy is primary except as expressly stated otherwise	✓	
<b>Retention:</b> Only one retention must be satisfied when one claim triggers coverage under two or more liability coverage sections	✓	
<b>Representations</b> – Only knowledge and representations of an executive officer are imputed to the insured organization	✓	
<b>Non-cancelable by insurer</b> except for nonpayment of premium	✓	
<b>Claim resolution retention credit:</b> If the insurer and the insured resolve a claim through voluntary mediation the retention is reduced by 10%, up to a maximum of \$25,000	✓	
<b>90 day notice of non-renewal</b>	✓	
<b>Advancement of defence costs within 90 days</b>	✓	
<b>Advancement within retention – Failure to indemnify deemed after 60 days</b>	✓	
<b>Non-rescindable</b>	✓	
<b>Ability to settle the claim within retention without consent</b> (Reimbursement option only)	✓	

To learn more, talk to your Travelers Canada underwriter, or visit [travelerscanada.ca](http://travelerscanada.ca)



Available through the *Wrap+*<sup>®</sup>, *Executive Choice+*<sup>®</sup> and *SelectOne+*<sup>®</sup> suite of products.

[Travelerscanada.ca](http://Travelerscanada.ca)

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers Canada. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law.

The Dominion of Canada General Insurance Company, St. Paul Fire and Marine Insurance Company (Canada Branch), and Travelers Insurance Company of Canada are the Canadian licensed insurers known as Travelers Canada. © 2017 Travelers Canada. All rights reserved. Travelers and the Travelers Umbrella logo are registered trademarks of The Travelers Indemnity Company in the U.S. and other countries. M-18259 New 11-17