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HOW THE LOSS PREVENTION SERVICES WORK

The highest court in the land has ruled that effective internal policies and procedures for preventing and dealing with workplace harassment and discrimination can be a defense to employment practices claims. This makes it more important than ever to develop measures that are proven to reduce EPL risk.

The emphasis on adequacy of the prevention measures, however, can also make some carriers reluctant to insure employers who lack certain critical elements of a good program or who don't have *any* practices or procedures at all. Companies whose practices and procedures are outdated or nonexistent are often turned away (or charged exorbitant rates) when seeking EPL coverage. Left with little choice, they either had to pay labor lawyers to develop or update what was missing and then apply for the coverage again, or go without the coverage and bear the ever-increasing risk uninsured: Both are unattractive options.

Our solution is different. Underwriters will bind coverage, no matter what or how much is lacking in a company's loss prevention abilities. The coverage will be bound subject to development of adequate measures. The insured will then be provided with the services of a qualified labor and employment lawyer (the network is comprised of the firms who are leaders in the field) *paid for by Underwriters*, who will come to the insured's assistance by providing whatever is missing:

- if there is no employee handbook, one will be prepared
- if there is an out-of-date handbook, it will be updated
- if there are no policies or procedures for dealing with employee complaints of harassment, they will be developed
- if there are no "at will" statements, they will be prepared.
- If management and supervisors haven't had training, it will be conducted
- counsel will design an employee handbook distribution system and receipt acknowledgement, if needed
- if there are no procedures for receiving, investigating, and dealing with harassment complaints, a program will be developed
- if the company has no statement of anti-discrimination positions, one will be developed
- if adequate termination procedures are lacking, they will be provided

If, however, the insured already has programs and procedures, Underwriters will not impose their's upon the insured. Only what is lacking need be provided. The prevention program is not an imposition or a hindrance; it is designed to be a *benefit* to the insured, at *no cost* whatsoever to the insured.

It is intended to be the least intrusive, least expensive way for an employer to get up to speed in loss prevention, all the while under the protection of bound coverage.