Employment Practices Liability (EPLI)

Will you be protected if you are sued by one of your domestic staff?

Affluent individuals often operate their home like a small business because of their unique exposures. You may have a full time property caretaker, personal assistant, housekeeper, gardener, nanny, chauffeur, private chef, caregiver or bodyguard. You shouldn’t let your guard down even if your domestic staff feel like an extension of the family. You are just as at risk of an employment related lawsuit as any other employer. Unlike corporate employees, domestic staff have access to intimate information about you and your family which could be used against you. Even if you handle all employee interactions appropriately, you can still be liable if one employee behaves inappropriately with another.

Regardless of the outcome, the cost to defend against an employment related lawsuit is high. Not only do you need to worry about financial costs associated with defending a lawsuit and potentially paying a settlement, but it will take time away from your work and family, compounding an already stressful situation. If handled improperly, the claim could also cause irreparable harm to your reputation.

How You Are at Risk
According to the Equal Employment Opportunity Commission (EEOC), during their fiscal year ending September 30, 2014, the percentage of the nearly 89,000 workplace discrimination charges they received, nearly 43% included retaliation claims. The next top discrimination claims filed were for racial discrimination, sexual discrimination (including harassment), and disability discrimination.

Consider these scenarios. Could they happen to you?

- A gardener of 10 years is fired without warning. He allegedly overheard his employer’s wife making negative comments about him. He claims he was wrongfully terminated due to discrimination.
- A part time nanny suddenly quits her job and claims her employer’s husband was making inappropriate comments to her when they were alone in the house. She is filing a lawsuit for sexual harassment.
- A housekeeper of 20 years is replaced by a much younger housekeeper at a cheaper salary. She sues for wrongful termination and age discrimination since she’s had an impeccable work record and was not given a reason why she was let go.
- A personal chef sues for back pay claiming she was expected to be “on call” 24 x 7 even though her salary was based on a verbal agreement of a 40-hour work week and she wasn’t ever paid for overtime. She makes malicious comments about her employer on social media which creates a frenzy that gets picked up by a local TV station and tarnishes the employer’s reputation.

1 http://www1.eeoc.gov/eeoc/newsroom/release/2-4-15.cfm
How Nationwide Private Client Responds
Nationwide Private Client offers our optional Limited Employment Practices Liability (EPLI) coverage, with limits of $250,000 or $500,000 that can be added to your Personal Excess Liability policy. The optional coverage will pay damages that the policyholder is legally obligated to pay to a residence employee arising out of a wrongful employment act, wrongful termination or discrimination. Coverage includes defense outside the limit.

Our Personal Excess Liability policy includes employment event fund coverage up to $25,000 for the reasonable expenses incurred by engaging an employment event management firm to minimize potential loss as a result of an employment event. If applicable, we can help you secure an event management firm of your choice, which could include a professional public relations consulting firm, security consulting firm, media management firm, investigative firm, or a law firm. Services could include getting help to mitigate reputational damage by comments a disgruntled employee said to the media, legal advice as soon as they suspect the employee will be filing a claim, or an investigation to help prove that an employee’s damaging claims were false.

If you believe you are implicated in a covered employment liability situation, you should report the claim to your agent and Nationwide Private Client by calling our toll-free number at 1-855-473-6410.

Why It’s Important For You?
Personal umbrella and homeowners coverage don’t provide proper protection for employment liability claims as these policies only apply to claims alleging bodily injury or property damage claims. If you have domestic employees, talk to your agent about adding Limited Employment Practices Liability coverage.

Nationwide Private Client Offers These Added Benefits:

- Our Limited Employment Practices Liability coverage applies when up to 5 residence employees are on staff at inception date of policy
- Our Personal Excess Liability policy includes up to $25,000 of Employment Event Fund coverage
- Our Personal Excess Liability policy includes up to $10,000 (or up to $250,000 with the Protection Endorsement) of Expanded Defense Coverage for the reasonable expenses incurred to have your attorney consult on a claim we defend
- A solid personal risk management approach should include conducting background checks before hiring any domestic staff. We provide you with access to Pinkerton, one of our trusted Risk Solutions partners, for background checks at discounted rates
- Access to Right Story Group, one of our trusted Risk Solutions partners for crisis management services
- Exceptional claims handling provided by Nationwide Private Client

Why Nationwide Private Client?
Nationwide Private Client is dedicated to helping protect the assets and reputation of our clients with a superior experience whenever you need assistance. Our highly personalized insurance products and services, including concierge style claims management, are thoughtfully designed to help ensure you have the best coverages to meet your distinctive needs.

Additional Resources

- [Personal Excess Liability - Client Brochure](#) (pdf)
- [Pinkerton website - Background checks for domestic staff](#)
- [Right Story Group website - Crisis and reputation management services](#)

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2 The employment act must occur during the policy period. Minimum underlying limits required. Annual aggregate limit.
3 Annual aggregate limit.
4 Contact your underwriter for policy limitations.

nationwide.com/privateclient

Each claim is handled on the basis of its individual facts and circumstances and in accordance with policy language, including applicable exclusions, conditions and limitations. Insurance overview is for informational purposes only and does not replace or modify the definitions and information contained in individual insurance policies or declaration pages, which are controlling. Terms and availability vary by state and exclusions apply. Products underwritten by Nationwide Mutual Insurance Company and Affiliates, including Crestbrook Insurance - Columbus, OH. Nationwide Private Client, Nationwide, the Nationwide N and Eagle, and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company. ©2015 Nationwide. (10/15)