



**EMPLOYMENT PRACTICES
LIABILITY COVERAGE PART
(DEFENSE COSTS ONLY)**

THIS COVERAGE PART PROVIDES CLAIMS MADE AND REPORTED COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD IN ACCORDANCE WITH THE PROVISIONS OF THIS POLICY. THE LIMIT OF LIABILITY WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DEFENSE COSTS.

In consideration of the premium and subject to the **COI/Dec** and the General Terms and Conditions, the parties agree as follows:

I. INSURING AGREEMENT

We will pay on behalf of an **insured**, **defense costs** up to the applicable Limit as a result of a **claim**:

- (i) for a **wrongful act** that took place on or after the **retroactive date**;
- (ii) first made against an **insured** and reported to us during the **policy period**; and
- (iii) that does not involve and is not the subject of **prior knowledge** or **prior notice**.

Such **defense costs** are within, and will reduce, the applicable Limit of Liability.

II. COVERAGE PART DEFINITIONS

Any defined word not defined in this Coverage Part will have the meaning assigned to it in the General Terms and Conditions.

Applicant means any applicant or prospective applicant for employment with an **insured**.

Biometric privacy means any actual or alleged violation of any federal, state, or local statutory biometric privacy law or any such similar common law anywhere in the world, that governs or relates to the collection, use, safeguarding, handling, storage, retention, or destruction of biometric identifiers, biometric data, or biometric information.

Bodily injury means any actual or alleged bodily injury, sickness, disease or death sustained by a natural person; mental injury or mental anguish sustained by a natural person at any time, if such mental injury or mental anguish results as a consequence of such bodily injury, sickness or disease to such natural person.

Claim means any:

- (i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief, including a request to toll or waive a statute of limitations;
- (ii) written request for arbitration, mediation, or other alternative dispute resolution; or
- (iii) civil, administrative, or regulatory proceeding (excluding an audit), including an **EEOC proceeding** or proceeding by the Office of Federal Contract Compliance Programs,

by or on behalf of an **employee** or **applicant**, in their capacity as such, against an **insured** for a **wrongful act**.

Claim will not include any:

- (a) criminal proceeding, criminal administrative or criminal regulatory proceeding, or criminal investigation;
- (b) labor or grievance arbitration or proceeding pursuant to a collective bargaining agreement or similar agreement; or
- (c) audit conducted by the Office of Federal Contract Compliance Programs, unless a Notice of Violation or Order to Show Cause or written demand for monetary relief or injunctive relief has been issued.

Unless specifically stated elsewhere in this Coverage Part, a **claim** will be deemed first made on the earliest of the date on which the **claim** is first received by any **insured**.

Defense costs will not include **damages**.

Discrimination means any alleged or actual violation of any **United States law** or common law, or any such equivalent or similar foreign law, which prohibits discrimination.



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EEOC proceeding means any investigative proceeding before the Equal Employment Opportunity Commission, or an adjudicatory or investigative proceeding before any similar United States federal, state, or local government body whose purpose is to address any **wrongful employment practice**.

Employee means any natural person who is a past, present, or future:

- (i) full-time, part-time, seasonal or temporary worker, or intern of a **named insured**;
- (ii) individual leased to the **named insured**, but only if such **named insured** provides indemnification to such leased individual in the same degree as is provided to other **employees**.

Employee does not include any **volunteer** or **executive officer**.

Employee benefits program means a program providing any of the following benefits to **employees**:

- (i) group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts; provided that no one other than an **employee** may subscribe to such benefits and such benefits are made generally available to those **employees** who satisfy the plan's eligibility requirements;
- (ii) profit sharing plans, savings plans, stock ownership plans, pension plans and stock subscription plans; provided that no one other than an **employee** may subscribe to such benefits and such benefits are made generally available to all **employees** who are eligible under the plan for such benefits;
- (iii) unemployment insurance, social security benefits, workers' compensation and disability benefits; or
- (iv) vacation plans, including buy and sell programs; leave of absence programs; tuition assistance plans; and transportation and health club subsidies.

Employment related benefits mean perquisites, fringe benefits, deferred compensation, or payments (including insurance premiums and benefit claim payments) in connection with an employee benefit plan, **stock benefits** (or the equivalent value thereof), and any other payment to or for the benefit of an **employee** arising out of the employment relationship. **Employment related benefits** will not include salary, wages, commissions, or non-deferred cash incentive compensation.

ERISA means any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (including the Consolidated Omnibus Budget Reconciliation Act of 1985)(COBRA) or similar laws, including United States federal, state and local statutory law, and any rules, regulations and amendments of such law or any such equivalent or similar foreign law.

Executive officer means any current and former natural person partners, officers, directors, managers, management committee members of the **named insured**, acting in such capacity. **Executive officer** does not include any **employee**.

Harassment means any actual or alleged sexual harassment or other unlawful harassment, including bullying, quid pro quo sexual harassment, or hostile work environment.

Insured means the **named insured** and/or **insured person**.

Insured person means any **executive officer** or **employee**.

Invasion of privacy means any actual or alleged failure by an **insured** to secure an **employee's personal information** from unauthorized use, collection or disclosure resulting in injury to such **employee**; provided **invasion of privacy** does not include unauthorized use or disclosure based on or arising out of a **cyber event** or **biometric privacy**.

NLRA means any actual or alleged violation of the National Labor Relations Act or similar law, including United States federal, state and local statutory law, and any rules, regulations and amendments of such law or any such equivalent or similar foreign law, governing employees' rights and employers' duties with respect to unions, bargaining, strikes, boycotts, picketing, lockouts, or collective activities.

OSHA means any actual or alleged violation of the Occupational Safety and Health Act of 1970 or similar law, including United States federal, state and local statutory law, and any rules, regulations and amendments of such law or any such equivalent or similar foreign law, governing workplace safety and health.



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Personal information means any nonpublic personal information relating to an identified or identifiable natural person.

Prior knowledge means any **wrongful act** that prior to the **policy period** any **executive officer**, member of the **named insured's** human resources, risk management or in-house general counsel's office, or any **employee** authorized by the **named insured** to give or receive notice of a **claim**, had or should have had a reasonable basis to believe such **wrongful act** could give rise to a **claim**.

Prior notice means any matter, fact, circumstance, situation, transaction, event, or **wrongful act** that:

- (i) has been the subject of any notice accepted under any employment practices liability policy or comparable policy, coverage section, or coverage part of which this Coverage Part is a direct or indirect renewal or replacement; or
- (ii) was the subject of, or is related to, any prior or pending litigation, **claim**, written demand, arbitration, administrative or regulatory proceeding or investigation, or licensing proceeding that was filed or commenced against any **insured** and of which that **insured** or the **named insured** had notice prior to the **policy period**.

Professional services has the meaning as defined in the applicable Professional Liability Coverage Part of this policy.

Related claim means all **claims** arising out of: (i) a single **wrongful act**; or (ii) **related wrongful acts**. All **related claims** will be deemed a single **claim**.

Related wrongful acts mean all **wrongful acts** that are based on, arising out of, or are logically or causally connected by the same, or any related or common, or a series of related or common, facts, circumstances, transactions, situations, events, advice or decisions.

Retaliation means any actual or alleged retaliatory act by an **insured** against an **employee** arising from such **employee's**:

- (i) **whistleblower activity**;
- (ii) participation, assistance, testimony, or cooperation in any internal or external proceeding or investigation regarding violations of law by an **insured**; or
- (iii) exercise of his/her rights, refusal to violate any law, or opposition to any unlawful practice or activity.

Stock benefits mean any:

- (i) offering, plan, or agreement between the **named insured** entity and any **employee** which grants stock, stock warrants, or stock options of a **named insured** entity to any such **employee**, including grants of stock options, restricted stock, stock warrants, performance stock shares, or any other compensation or incentive granted in the form of securities of the **named insured** entity; or
- (ii) payment or instrument in the amount or value of which is derived from the value of securities of the **named insured** entity, including stock appreciation rights or phantom stock plans or arrangements.

Stock benefits will not include employee stock ownership plans or employee stock purchase plans.

Volunteer means a natural person who performs work at the direction of, or for the benefit of, and within the scope of duties determined by an **insured**, without the expectation, promise, or receipt of any compensation for such work.

WARN means any actual or alleged violation of the Workers' Adjustment and Retraining Notification Act or similar law, including United States federal, state and local statutory law, and any rules, regulations and amendments of such law or any such equivalent or similar foreign law, governing employer notice requirements in advance of layoffs or facility closings.

Whistleblower activity means the lawful activity by an **employee**, with respect to any alleged wrongdoing by an **insured**, who causes information to be provided to the attention of, or otherwise assists in an investigation by, a governmental or law enforcement agency, provided such activities are protected by statute with rights and remedies for retaliation recognized under **United States law** or any such equivalent or similar foreign law.



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Worker benefits mean any actual or alleged violation of any **United States law**, or any such equivalent or similar foreign law, governing workers' compensation, unemployment insurance, social security, or disability benefits.

Workplace tort means any:

- (i) negligent hiring, training, supervision, or evaluation of **employees**;
- (ii) failure to adopt or enforce adequate workplace or employment policies and procedures;
- (iii) employment-related false imprisonment, false arrest, detention, or malicious prosecution;
- (iv) employment-related libel, slander, defamation, or humiliation;
- (v) **invasion of privacy**; or
- (vi) employment-related wrongful infliction of emotional distress.

Wrongful act means any **wrongful employment practice** but only with respect to any **employee** or any **applicant**.

A **wrongful act** includes any actual or alleged conduct that takes place via electronic communication, including social media and internet websites.

Wrongful employment decision means any:

- (i) actual or constructive wrongful dismissal, discharge, or termination of employment;
- (ii) wrongful deprivation of career opportunity, demotion, failure to grant tenure, failure to train, failure to employ or promote, or failure to advance to the status of partner or equity partner;
- (iii) employment related misrepresentation, including inducement to become or remain employed based on an erroneous job description; or
- (iv) wrongful discipline of **employees**.

Wrongful employment practice means any employment related:

- (i) breach of any written employment contract or agreement, including any written contract or agreement concerning severance payments or contractual obligation arising out of any employee handbook, personnel manual, policy statement, or other representation;
- (ii) **discrimination**;
- (iii) **harassment**;
- (iv) **retaliation**;
- (v) **workplace tort**; or
- (vi) **wrongful employment decision**,

committed, attempted, or allegedly committed or attempted by an **insured** in such capacity.

III. EXCLUSIONS APPLICABLE TO THE EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

This Coverage Part does not apply to any **claim, damages, defense costs**, expenses, fees or loss:

BODILY INJURY

based on, arising out of, or involving **bodily injury**; provided this exclusion will not apply to any actual or alleged emotional distress, mental anguish or humiliation when made in connection with any **claim**;

CONTRACTUAL LIABILITY

based on, or arising out of, any liability that you assume under any contract or agreement, provided this exclusion will not apply to liability that would be imposed upon an **insured** in the absence of such contract or agreement;



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EMPLOYEE BENEFITS PROGRAM

based on, or arising out of, the actual or alleged administration of any **employee benefits program**;

PROPERTY DAMAGE, PROFESSIONAL SERVICES OR PERSONAL AND ADVERTISING INJURY

based on, or arising out of, any actual or alleged **property damage, professional services or personal and advertising injury**;

REDUCTION IN FORCE

based on, or arising out of, any actual or alleged:

- (i) layoff or termination of more than twenty percent (20%) of an **insured's employees** at any site of employment within a sixty (60) day period;
- (ii) permanent shutdown of any **insured's** site of employment;
- (iii) temporary shutdown of any **insured's** site of employment for at least thirty (30) consecutive days;

RELATED CLAIM MADE PRIOR TO POLICY INCEPTION

for any **related claim** deemed first made prior to the inception of:

- (i) this **policy period**; or
- (ii) any prior policy issued by us of which this policy is a direct renewal;

THIRD PARTY DISCRIMINATION OR HARASSMENT

based on, or arising out of, **discrimination** or **harassment** of a third party;

SPECIFIC STATUTE OR LAWS

based on, or arising out of, **worker benefits, ERISA** (except for Section 510), **OSHA, WARN, or NLRA**; provided these exclusions will not apply to **defense costs** for any **claim** on account of **retaliation**;

WAGE AND HOUR

based on, or arising out of, any actual or alleged violation of any **United States law**, or any such equivalent or similar foreign law, which regulates or governs employment wage, pay, or labor requirements or standards (except for the Equal Pay Act) including but not limited to:

- (i) the calculation, recordkeeping, timing or manner of payment of minimum wages, prevailing pay rates, overtime pay or other compensation alleged to be due and owing, including the failure to compensate for any unpaid vacation pay, off the clock or remote work, or for employer sponsored activities;
- (ii) failure to provide or enforce legally required meal or rest break periods;
- (iii) the classification of any entity or person for wage and hour purposes;
- (iv) garnishments, withholdings, or other deductions from wages;
- (v) use of federal or state tip credits or maintenance and distribution of tip pools; or
- (vi) reimbursement of work-related expense or tools to any person providing services or labor to or on behalf of a **named insured**,

or any such similar practices, policies or procedures. Provided this exclusion will not apply to **defense costs** for any **claim** on account of **retaliation**.

IV. COVERAGE PART LIMITS OF LIABILITY AND RELATED CLAIMS

A. Each Claim Defense Cost Limit

Subject to paragraph B below, the most we will pay for **defense costs** for each **claim** is the amount set forth in the **COI/Dec**.



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B. Coverage Part Limit– Defense Costs in the Aggregate

The most we will pay for **defense costs** for all **claims** afforded coverage in this Coverage Part is the amount set forth in the **COI/Dec** as the Employment Practices Liability (“EPL”) Aggregate Limit. This EPL Aggregate Limit, subject to the provisions of this policy, is the most we will pay as **defense costs** regardless of the number of **claims, insureds, incidents**, parties or requests for coverage in this Coverage Part. Provided however, if there is more than one **named insured** the EPL Aggregate Limit and co-payment will apply separately to each **named insured**. All other **insureds**, who are not **named insureds**, will share the EPL Aggregate Limit, and are subject to each **named insured’s** co-payment.

C. Related Claims

All **related claims** will be treated as one **claim** first made on the date the first of such **related claims** was first made or deemed made. The each **claim** Limit of Liability applicable to such policy period will apply to all such **related claims**.

D. Settlement of Claims

We have the right to settle any **claim** as we deem reasonable.

V. **OTHER INSURANCE**

A. This Coverage Part will apply as primary with respect to any valid and collectible insurance policy that provides coverage or indemnifies **defense costs** for which this Coverage Part also provides coverage.

B. Coordination of Coverage Provision

Any loss otherwise covered by both this policy and any employment practices liability policy or Coverage Part issued by us or any affiliate (“EPL Coverage”) will be covered first under such EPL Coverage subject to such EPL Coverage limit of liability, retention and coinsurance percentage. Any remaining loss otherwise covered by this policy that is not paid under such EPL Coverage will then be covered under this policy subject to the applicable Limit of Liability.