

## Employment Practices Liability Insurance: Crucial for Small Businesses



There has been an increase in litigation concerning workplace issues over the past few years, with employment tribunals awarding thousands of pounds for individual claims. This increase in litigation is partially due to employees becoming more aware of their rights and the implementation of worker-friendly employment regulations. Employment regulations affect both small and large businesses, yet alarmingly, many small businesses do not have employment practices liability insurance (EPLI) cover to protect against these claims.

### High Price Tag

Employment-related claims can be extremely costly, especially in cases that drag on for years. With a slow economy and complex employment regulations, these cases are on the rise. Without EPLI, a single claim from an employee may wipe a small business out. Many small businesses cannot afford to pay these costs and keep their company afloat.

### What Puts a Small Business at Risk?

Understandably, it can be much more difficult for small businesses to defend themselves against employment-related claims because they tend to have fewer resources and a different work environment. Small businesses are particularly at risk for employment-related claims for the following reasons:

- Many have a minimal staff and lack of in-house counsel and/or full human resources department to rely on. With an average of around 15 to 20 changes annually to employment regulations,

many small businesses do not have the resources to keep current.

- Overall lack of extensive recordkeeping on employee performance
- More intimate working environments may cause personal riffs

### An Affordable Solution

Fortunately, with employment-based legal actions on the rise and the economy's sluggish upward climb, EPLI cover is becoming more affordable. More insurers are beginning to offer EPLI insurance policies with comprehensive cover to smaller businesses to protect them in tough times. In fact, EPLI insurance is becoming so important to the success of small businesses that it is being offered at more affordable prices and being tailored specifically for smaller businesses.

Talk to Sirelark Risk Services at 01603 343 053 to learn whether this risk transfer option is right for your business.

### Provided by Sirelark Risk Services

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