

Travelers SelectOne® for Large Financial Institutions Employment Practices Liability: An Essential in Today's Environment

Employment practices issues are everywhere — no company or industry is immune to charges of discriminatory practices from current or former employees and even job applicants. Greater awareness of the law, changing economic conditions, and increased diversity and demographic shifts in the labor force are all contributing to a dramatic increase in lawsuits. You can ensure your company is prepared by adding employment practices liability (EPL) insurance, available through Travelers SelectOne for Large Financial Institutions.

Protect your business from costly exposures

Over the past two decades, employment practices disputes have become one of the fastest-growing sources of litigation in the United States. Consider these fiscal year 2007 statistics from the U.S. Equal Employment Opportunity Commission (EEOC):

- The EEOC received a total of 82,792 private sector discrimination charge filings, the highest volume of incoming charges since 2002 and the largest annual increase (9 percent) since the early 1990s
- The EEOC recovered \$345 million in monetary relief for job bias victims
- Allegations of discrimination based on race, retaliation, and sex were the most frequently filed charges, and nearly all major charge categories showed double digit percentage increases from the prior year
- Charges involving claims of “retaliation” represented the single greatest area of increased charges. In fiscal year 2007, the EEOC received 26,663 charges involving retaliation claims, up 18 percent from 22,555 the prior year

Key coverage provisions offer protection you can trust

- Broad 13-point definition of wrongful employment practice
- A “claim” is defined to include a written demand for monetary damages, civil proceedings, criminal proceedings, and administrative or arbitration proceedings
- The policy is not cancelable by Travelers, except for nonpayment of premium
- Worldwide coverage
- Application is fully severable for all insured persons
- Coverage for punitive damages, where insurable by law, is provided up to the full limit of liability
- Automatic coverage (prior acts excluded) for created or acquired subsidiaries falling below 20-percent threshold; 90-day automatic coverage (prior acts excluded) for larger transactions
- “Run-off” coverage (acts prior to acquisition) automatically provided until expiration if parent company is acquired; guaranteed three-year quotation for extended run-off coverage subject to policy provisions
- Arbitration of coverage disputes are at sole option of insureds

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Coverages all in one policy; choose your options

- Coverage for a wide range of wrongful employment practices
- Coverage for your financial institution, directors and officers all as covered insureds
- Option to include coverage for employees, leased employees and independent contractors
- Nonprofit outside directorship coverage
- Option to include coverage for punitive or exemplary damages, where insurable by law
- Coverage for claims brought by employees, independent contractors, leased employees or governmental bodies

Plus, our menu-driven format offers you superior flexibility to select the specific EPL coverage options that fit your needs. You can elect to have coverage written on a "duty to defend" basis, or you can maintain the ability to select your own attorney, with advancement of defense costs.

Personalized, local attention

While Travelers is one of the nation's largest insurers, we pride ourselves on our local approach. Our decentralized underwriting, provided through more than 50 Bond & Financial Products field offices across the United States, gives you efficient, expert service. When claims occur, you can count on the timely action and expertise of the financial institution claim attorneys and claim specialists in our dedicated claim group.

Financial strength you can depend on

You can trust Travelers to always be there when you need us. We're a Fortune 100 company with more than 150 years of insurance experience. Our philosophy of conservative fiscal management has consistently earned us high ratings for financial strength and claims-paying ability from A.M. Best* (A+). As the second largest commercial property casualty insurance underwriter in the United States, based on direct written premium, it's clear that we know this business ... and understand yours.

Travelers SelectOne® for Financial Institutions

The comprehensive choice for all your insurance needs

Contact your independent insurance agent today to learn more about employment practices liability coverage or visit travelersbond.com.

* A.M. Best's rating of A+ applies to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best as well as other rating services, visit travelers.com. Ratings listed herein are as of June 3, 2008, are used by permission, and are subject to change by the rating services. For the latest rating, access ambest.com.



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